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ABSTRACT

Nineteen cabinet rank departments and 13 governmental agencies administer government affairs in the Virgin Islands. In fiscal year 1977 major government revenue sources included 48% contributed by collections from U.S. customs and 29% from taxes. Major expenditures were 48% of all funds going into commercial and industrial development, 13% toward education, and 12% into general executive government expenses. Tourism remained the most important industry; in fiscal year 1977 the total expended by visitors was estimated at $152 million. The population of the islands was about 100,000 with some 32,000 students enrolled in public and private schools. A downward trend is developing in public school enrollment, but overcrowding remained a serious problem, with many schools conducting double sessions. The first section of this report gives general information on the islands, including descriptions of geography, government, finances and taxes, economic development, and population. Sections two and three summarize activities of each of the cabinet rank departments, governmental agencies, and the College of the Virgin Islands. Some of the cabinet departments include the Departments of Commerce, Labor, Personnel, and Public Works. Among the 13 agencies are the Community Action Agency, National Guard, Public Television System, Port Authority, and Planning Office. Tabular data is given in such areas as education, finance, health, law enforcement, and water and power authority. (DS)

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1977

Annual Report

OF THE

GOVERNOR OF THE VIRGIN ISLANDS

TO THE

SECRETARY OF THE INTERIOR

FOR THE FISCAL YEAR ENDED JUNE 30

RC 011423

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GENERAL INFORMATION

The Virgin Islands (United States and British) were discovered by Christopher Columbus in 1493 during his second voyage of exploration. He named the chain of some eighty, small elevated islands Las Virgenes, in honor of St. Ursula and her 11,000 martyred virgins.

In search of fresh water, a landing party was sent ashore on the southernmost of the islands, which he called Santa Cruz (St. Croix) at an area now known as Salt River. The party was repulsed by a band of Indians called Caribs and no further attempt was made to land others or colonize the island until 1555 when soldiers of King Charles V of Spain drove the Caribs from the island.

England, France, Holland and Spain, the influential and colonizing nations of Europe, vied for control of the islands (and many others of the Caribbean) during the seventeenth century. Sugar cane cultivation, with its by-products of molasses and rum, was the principal attraction.

Denmark played the most important role in the development of what was to become the United States Virgin Islands by granting a charter to the West India Company to colonize and develop St. Thomas and St. John. The Danes purchased St Croix from France in 1733 and except for a brief period of British occupation during the Napoleonic Wars, the Danish ruled these islands until 1917.

In the seventeenth and eighteenth centuries sugar was king and its influence was felt everywhere. Plantations for the cultivation and processing of cane were laid out on all three islands. Massive conical shaped stone structures for windmills to grind the cane were built on the plantations, as were great houses and related buildings. Many of these stone towers still stand as evidence of a once flourishing colonial plantation society. With this new wealth came the unfortunate consequences of greed and avarice and the islands soon became targets for freebooters who became legends such as Captain Kidd, Blackbeard and Edward Teach, among others.

To sustain the ever growing agricultural economy that was based on sugar cane, workers were needed to cut and process it. Working daylong in the cane fields under a hot subtropical sun was far from appealing. Slavery was the answer and the practice was introduced in the 1760's here as elsewhere in the Caribbean with black Africans captured by slavers and brought over in the holds of sailing ships as human cargo. The lot of the slaves was misery and privation in a society they did not understand. Escape from their situation and from the island was impossible. Revolts were attempted and brutally put down. One such attempt took place on St. John and nearly succeeded, with the slaves holding the island for six months until a French force from Martinique arrived to help the Danish masters regain their land. Legend claims that the survivors of the revolt committed mass suicide by jumping off a cliff rather than being returned to servitude after a severe punishment.

Slavery lasted nearly a hundred years but was abolished by an enlightened Denmark in 1848, fifteen years before the U. S. Emancipation Proclamation. The islands then fell into a long period of decline since sugar could not be economically harvested without slaves, and sugar beets from other areas began to compete with cane.

U. S. efforts to purchase the islands began in the 1860's but, for one reason or another, did not succeed until 1917 when Denmark agreed to a purchase price of $25 million. The move on the part of the U. S. to make the purchase during World War I was to counter a possible takeover of the islands by Germany for use as a Caribbean submarine base.

Geography

The islands lie some 1,450 miles southeast of New York and 1,000 miles south-southeast of Miami. Puerto Rico is forty miles to the west. They comprise some fifty islands and cays and are part of the Antilles, the chain of islands that curve from Cuba to Trinidad and separate the Caribbean Sea from the Atlantic Ocean.

St. Croix is the largest of the U. S. Virgins and covers eighty-four square miles, nearly two-thirds of the territory's entire area. It is mostly flat and much of it is under cultivation. St. Thomas is twenty-eight square miles and rugged, with several hills exceeding 1,000 feet. St. John is the smallest with an area of twenty square miles, and also rugged.

St. Croix has two improved harbors: Christiansted and Frederiksted. The picturesque Christiansted harbor attracts pleasure yachts and medium-size commercial vessels from many nearby islands. The deep water harbor at Frederiksted can accommodate ocean-going liners. The Alexander Hamilton Airport on St. Croix can handle the largest jet aircraft on non-stop flights from the continent.

St. Thomas, whose agricultural resources are limited by its rugged terrain, more than makes up for this deficiency with its excellent harbor. It is the ranking port of call for cruise ships and its airport can handle limited jet flights from the mainland. However, the Harry S Truman Airport is being enlarged and expanded under a $60 million program supported largely with Federal funds.

St. John's main attraction is its unspoiled beauty, which is sure to remain as nearly two-thirds of the island is taken up by the Virgin Islands National Park. The incomparable beaches, spectacular mountain views and lush vegetation attract an increasing number of visitors each year, many of whom use the excellent camping facilities in the national park.

The climate is near perfect. Temperatures range between seventy and ninety degrees, with an average of seventy-eight. Humidity is comfortably low and rainfall averages forty-five inches a year.

There is an abundant variety of tropical flora, ranging from the well-known hibiscus, oleander, poinsettia and wild orchid to the less common African tulip tree. Tropical fruits include mango, soursop, lime, sugar apple, cherry, avocado, papaya and genep.

Virgin Islands waters are recognized as a prime sport fishing area. Many fishing records were set here, including the world's record for the largest blue marlin. St. Thomas is also the home port for the world's largest captained charter boat fleet.

Government

The flags of six countries have flown over the islands at various times and St. Croix, for a brief period, was administered by the Knights of Malta. When the islands were transferred from Denmark to the United States in 1917, the transition was accomplished smoothly by retaining the Danish legal code as the basic law. The Navy administered the islands until 1931 when a White House executive order transferred jurisdiction to the Department of the Interior and the first civilian Governor was appointed by the President.

A major change in the governing structure took place in 1954 with the passage of the Revised Organic Act, by which Congress authorized distinct executive, legislative and judicial branches and provided for a substantial degree of self-government. Recent changes in the act provide for an even greater degree of home rule and a constitutional convention is being planned.

Before November 1970, the Governor was appointed by the President, subject to U. S. Senate confirmation, and was under the supervision of the Secretary of the Interior. However, on August 26, 1968 President Lyndon B. Johnson signed the Elected Governor Bill for the Virgin Islands. This law provided for the Governor and the Lieutenant Governor to be elected by popular vote of the people of the Virgin Islands, which they exercised for the first time on November 7, 1970.

The Governor is responsible for enforcing all local laws, administration of the activities of the executive branch and the appointment of department heads and certain other employees. He reports annually to the Legislature on the state of the territory and prepares an annual budget, which is also submitted to the Legislature. He recommends new legislation to carry out the various programs of the government. The Lieutenant Governor serves as Acting Governor during the absence of the Governor. He also has administrative responsibilities for banking and insurance laws and real property assessments.

The fifteen members of the unicameral Legislature are elected for two-year terms. There are seven members from St. Croix, seven from St. Thomas and one from St. John. Each bill that is passed must be signed by the Governor before it becomes law. A two-thirds vote of the Legislature is necessary to override a Governor's veto.

The judges of the District Court and the U. S. Attorney are appointed by the President. The District Court has jurisdiction over felony violations of the local criminal code as well as crimes covered by Federal laws. Territorial Court judges are appointed by the Governor and confirmed by the Legislature. This court has jurisdiction over misdemeanors and traffic violations of the local law.

Civil cases in which damages sought are less than $50,000 are handled by the Territorial Court, formerly the Municipal Court. There is no limit on damages in cases tried before the District Court.

The District Court exercises appellate jurisdiction over the Territorial Court. The U. S. Court of Appeals for the Third Circuit, Philadelphia, and the Supreme Court have appellate jurisdiction over the District Court.

Finances and Taxes

There are three principal sources of revenue for capital and operating use. The largest and growing source is local income taxes, which is the Federal income tax applied as a local tax. Another money source is the Federal excise tax collected in the U. S. on Virgin Islands imports and returned to the Virgin Islands Government. To receive these funds, the islands must raise through local taxes sums which match the rebated excise taxes. Also, extensive Federal funds are appropriated to the islands for many activities in employment service, public assistance, health services, law enforcement, conservation, school programs and libraries. In all, there are more than 100 such financial assistance programs.

Economic Development

Tourism continues as the most important industry. During the year, 565,845 visitors arrived by air for short and long stays and 503,415 cruise ship passengers spent a day on the islands. The two figures together reflect an increase of about 70,000 from the previous year. The total expenditures of visitors during the year were estimated at $152 million.

The large Hess oil refinery and petro chemical complex and the Martin Marietta bauxite reduction plant, both on St. Croix, are the two largest manufacturing operations in terms of employment and dollar volume of sales. Distilling of rum, most of which is exported to the United States, is also a major industry.

There is, however, a continuing effort to broaden the industrial base and encourage small manufacturing operations by offering incentives that include tax exemptions and subsidy benefits. Such incentives are also available for private investments in hotels, housing, recreational and agricultural projects.

Virgin Island manufacturers of goods that contain not more than fifty per cent of foreign materials (watches can contain up to seventy-five per cent) can export their products to the U. S. duty free. This arrangement is permitted under section 301 of the U. S. Tariff Act. To guard against abuses, production quotas have been established with high taxes as a penalty for excesses.

Population

Estimates at the end of the year put the population at about 100,000; St. Thomas 48,000, St. Croix 50,000 and St. John 2,000. Approximately 32,000 are enrolled in public and private schools. The labor force is estimated at 45,000.

English is the dominant language. There are many Spanish-speaking people of Puerto Rican descent on St. Croix and St Thomas has a small colony of French-speaking people who are descendants of Huguenot families that migrated many years ago from several French Caribbean islands.

ADMINISTRATIVE ASSISTANT FOR ST. JOHN

Personnel: 12 Operating Appropriation: $118,331

A boat specifically designed as a water ambulance was put into service for transporting ill or injured persons between St. John and St. Thomas where hospital care is available. Named "Star of Life", the boat was also available for other emergencies as determined by the Administrator's Office and the Department of Health.

Plans for renovation of an old plantation house known as Enighed Ruins continued with the Department of Conservation and Cultural Affairs and a decision was reached to restore the building for use as a public library and museum. Conservation also supervised construction of tennis courts at Cruz Bay and a recreation complex at Coral Bay, which were built as in-house projects of the Department of Public Works and Conservation and Cultural Affairs.

Work began on the East End road and nearly twenty per cent of planned road repairs and construction were completed. Two water tanks were constructed to store water from several wells that were drilled in various sections of the island.

Negotiations continued with a resident to purchase five acres of his land in the Susannaberg area for the construction of a clinic. Negotiations with

National Park Service officials for a parcel of land to relocate the St. John branch of the Department of Agriculture were not successful. An alternate site is being sought for this facility.

DEPARTMENT OF AGRICULTURE

Personnel: 132 Operating Appropriation: $1,739,125

A drought that began late in 1976 and persisted to the point of severity that the President in June declared the islands an emergency drought disaster area, posed many problems for the success of the various agriculture and stock raising programs of the Department. In spite of the situation, however, many significant advances were made in providing improved services to big and small farmers alike and to livestock developers.

The people's community garden program that was started in St. Croix in 1975 with 400 one-quarter acre plots in two locations, was reorganized to concentrate growing in one area. During the year 321 plots were under cultivation and the demand for additional plots continued even though vandalism and pilferage discouraged some of the participants.

The Department provides land preparation service for this effort and regular meetings were held with the plot holders to provide information on production and pest control. To encourage participation by younger people, a five-acre plot was made available to one of the St. Croix high schools and some 130 students gained first hand experience in agriculture by farming it. To further assist these students, the

College of the Virgin Islands extension service planted a demonstration section to show various methods of planting, cultivation and plant protection.

The livestock industry and beef production are important agricultural enterprises. The Department has assisted beef growers through subsidies to farmers to encourage them to produce more nutritious animal feed sorghum. Some 460 acres were under cultivation by eight growers who received a total of $18,500 in subsidies during the year.

In addition, efforts were intensified to further develop the Senapol breed of beef cattle through a research program and the organization of the Senapol breeders association, which now has twenty members. The College of the Virgin Islands' experiment station initiated work to identify characteristics of the Senapol, which was developed on St. Croix in 1918. Work involved the collection of semen which is being studied at the U.S. Department of Agriculture station, Brookvile, Florida to determine the breeding value of Senapol with other types.

In relation to this program, quarantine facilities that met local and Federal standards for the export of animals were completed on St. Croix. As a result, and in cooperation with the College and Senapol breeders, twenty-two heads were shipped to Kentucky and Georgia. This was the first such export to the mainland.

Other accomplishments included: addition of a veterinarian to the staff; delivery 1,231,674 pounds of dressed meat and by-products to butchers, farmers and individuals; construction of five new dams and renovation or enlargement of twelve others; seeding of 7,370 pots with medium leaf mahogany; distribution of 3,500 mahogany seedlings; distribution of more than 3 million pounds of feed to livestock farmers under local and Federal disaster and drought relief programs.

The Department, not by design, became involved in the movie business and performed a service beyond its normal scope. Producers of "The Island of Doctor Moreau" had selected St. Croix as the site for filming because of its ideal weather and tropical foliage. The story had Doctor Moreau turn humans into animals through his bizarre experiments and involved the use of lions, tigers, wolves and bears, which had been imported from California.

When the movie was completed, the seventeen animals were scheduled to be returned, but had to meet certain health requirements. The Department was asked for assistance and provided an isolated area where the animals were quarantined and kept tick free for a week before being caged and returned.

OFFICE OF THE BUDGET

Personnel: 25 Operating Appropriation: $444, 761

The major thrust of the Office of the Budget was directed toward further development of the performance budgeting process initiated in 1976 by refining procedures and making them intrinsic parts of the method. Much effort and funds were expended in the determination and writing of objectives, the core of performance budgeting, which resulted in several accomplishments including a revised and more useful budget manual, a more clearly defined structure of fiscal responsibility and accountability within various agencies, and a reinforcement of the concept of the use of objectives as management tools.

These developments provided a greater depth of analysis of agency programs and funding requests by their personnel before submission as well as by examiners afterward and resulted in a 1978 budget document that was a more accurate presentation of the needs of departments and agencies. The major components of the more sophisticated in-house review process were: 1) Segregation of discretionary from non-discretionary funding requests; 2) Introduction of an assessment report to the budget director by senior analysts on the program and operational strength and weaknesses of each department, and 3) Preparation of a management letter by senior analysts that gave department heads the consideration and assumptions that influenced funding decisions.

The section of the Office responsible for the budgetary process assumed, as an extension of its management and oversight functions, additional activities that included review of Federal grant applications routed through the A-95 clearing house, and preparation of draft responses to the finding of the audits conducted by the U. S. Comptroller.

The purpose of the reviews was to focus on the management and financial implications of programs for which Federal funds are requested, with particular attention to their impact on the General Fund and their consistency with local priorities. Although several reviews were forwarded to the clearing house, this responsibility was not fully carried out, primarily because many applications were received much too late for careful review.

To insure the continued professional approach in these areas, all budget analysts took an intensive one week course on the MBO process, with emphasis on the writing of objectives. In addition, staff personnel attended seminars on the mainland conducted by consulting firms as well as by the University of Michigan Graduate School of Business.

The importance of the expenditure control function of the Office was emphasized during the year because of the fiscal uncertainty which characterized the period. The development of in-house computer capability afforded more timely and exhaustive study of expenditure needs. Monthly reports of expenditures and encumbrances, for example, provided early indications of the pattern and momentum of all Government obligations, which allowed for more timely and consequently less drastic adjustments in order to insure consistency with collections. Careful review of these and other reports improved the detailed analysis of agency expenditures and requests and contributed significantly to the Government's ability to keep operating expenditures within the limits of available revenues for the year.

Revenue planning was given considerable time, particularly to revenue flow and identifying alternate sources to support spending requirements. Individual income taxes continued to be used as the primary indicator of total annual revenue yield and quarterly reports were sent to the Governor and Legislature. This monitoring allowed for measures to be taken before year end to keep the budget in balance.

Significant attention was also devoted to projects which improved overall income estimating capabilities. The record of income receipts was reviewed to identify and segregate extraordinary sources. This clean-up of the data base should provide greater accuracy in future forecasting. Also, the investigation into individual income tax collections that began during the previous year was completed and analyzed. The findings of these efforts served to justify the recommendation of an income tax surcharge as one of several measures to help balance the 1978 budget. Modification of other revenue sources to close the widening gap between income and spending were also proposed.

Continued uncertainty in the level of General Fund revenues during the year forced the Office to restrain the release of full fourth quarter funding by dividing allotments into two phases. This approach encouraged all agencies to apply for only absolute requirements. It was partly because of this technique that the expenditure trend remained within the parameters of $123.7 million in revenues.

Internal Revenue Matching Fund monies returned to the Virgin Islands by the Federal Government from excise taxes on Virgin Islands rum sold on the mainland, are used to finance capital improvements and for debt service. A total of $17.9 million was appropriated from this fund, $3.2 million of which was contributed to the General Fund and $12.5 million was obligated for debt service, land acquisitions, contributions to the molasses fund and for capital improvements.

The Conservation Fund, created in 1967, consists of royalty payments made by the Hess Oil Virgin Islands Corporation, and used for air and water pollution control, sewage treatment and disposal systems, parks and recreation, preservation of historical heritages, beautification projects and other public purposes. Royalty payments for the year totalled $2.7 million for a sum total of $26.2 million since 1967. A total of $26.5 million has been appropriated through the end of the year and expenditures and obligations of $22.1 million were usef for various projects in all areas of the Fund's designated uses.

The Road Fund is made up of revenue from gasoline taxes, traffic fines and the highway users tax. Appropriations of $3.4 million were made from this Fund and $2.5 million was allotted. The bulk of the monies -- $2.2 million -- was spent for road construction, improvements and maintenance, and as local contributions to the Federal highway improvement program.

General obligation bonds totalling $22 million were floated and derivative monies are to be utilized for land acquisition, construction of four new schools and renovations and repair of hospital buildings. These bonds are guaranteed by the Federal Government. Efforts were initiated to obtain the services of new advisors to represent the Government in all financial endeavors.

The Virgin Islands Energy Program, a responsibility of the Budget Office, completed a conservation plan which resulted in the approval for fiscal year 1978 of $160,000 in grant-in-aid assistance. The goal of the plan is a five per cent reduction of energy consumption by 1980.

In the area of Federal programs, the Office completed a file of active programs for all Executive agencies except for the Department of Education, reviewed ninety grant applications and recommended procedure for a regular review system. In addition, a final cost allocation plan for 1976 and a fixed cost allocation plan for 1977 were prepared for use in computing indirect cost returns from Federal grant-in-aid programs.

Limits on more effective analysis of the use of Federal assistance are the incomplete reporting of grants applied for and received, and inconsistent accounting for continuing assistance programs. The recent restructuring of the A-95 clearing house should improve information about programs and applications. However, there are no significant efforts under to way to coordinate Federal grant accounting processes with other funds.

CIVIL DEFENSE

Personnel: 15 Operating Appropriation: $211,793

A major step in emergency preparedness took place at the beginning of the year when the Office of Civil Defense and Emergency Services held its first exercise involving representatives of various Government departments that form the Disaster Control Committee, which was established by the Governor upon the recommendation of Civil Defense. The exercise gave department heads a clear understanding of their roles when they are called to respond to a disaster or emergency.

A communications officer was added to the staff to replace a technician, and during the first several months of activity, rewrote communications plans and developed training programs for the staff and volunteers. The revised plans and one covering the emergency warning system were accepted by the regional office of Civil Defense. Repairs were completed on the forty sirens comprising the system which was tested every Monday at noon. While primarily designed to warn of a nuclear attack, the system also serves as a hurricane alert and for other emergencies, such as flooding conditions.

Four hurricanes developed near the islands late in the summer. Fortunately all passed harmlessly to the north but Civil Defense monitored their courses on a twenty-four hour basis until they moved out of the area. During the hurricane season, which runs from July to October, more than 20,000 pamphlets on storm protection and procedures and thousands of tracking maps were distributed to residents.

More than forty volunteers were trained as emergency medical technicians and an equal number in traffic and crowd control. Emergency rescue teams received basic training. Large numbers of volunteers were also taking home study courses in radiological monitoring and other training programs. A Radio Emergency Associated Citizens Team was established on St. Croix and planned to expand to St. Thomas where the Citizens Band Association had volunteered their services in emergencies.

Unexpected storms following the hurricane season caused extensive flooding throughout the Territory. Over a two-day period, hundreds of volunteer man-hours were given by Civil Defense volunteers and citizens band radio operators to protect life and property. This action reduced the need for the Government to call upon other resources to cope with the situation.

Although the islands experienced flooding conditions during October, an extended period of dry weather followed which caused a severe drought by spring. Considerable staff time was expended in preparation of information to support the Governor's request to have the Secretary of Agriculture and the President declare an emergency situation. This was the first time such a declaration was requested under the new policies and procedures of the Federal Disaster Assistance Administration, which was approved and made St. Croix farmers eligible for relief funds.

As the result of the many training activities and responses to emergencies, the Civil Defense Staff was enlarged by the addition of field operations officers for St. Croix and St. John, and a radiological defense operations officer for the Virgin Islands who also serves as operations officer for St. John. These new members provided the necessary leadership to coordinate and train volunteers in assisting other agencies of the local and Federal governments.

In the fall of the year the entire staff took part in an increased readiness information services exercise conducted by the regional office in Maynard, Massachusetts. The exercise took place over a two-month period to test the capabilities to conduct communications during a nuclear war. This was the first such exercise in which Civil Defense participated and was considered a significant learning experience.

DEPARTMENT OF COMMERCE

Personnel: 108 Operating Appropriation: $4,517,240

The year was very active, productive and generally successful for the Department of Commerce as its various components, especially in the Division of Tourism, were brought closer together following the reorganization that began in 1976.

Despite continuing budget limitations, most of the planned programs were carried out and the result was a substantial favorable turn-around of the economic situation, particularly in our basic economy of tourism.

Hotels enjoyed levels of occupancy not experienced for the past five or six years. Air arrivals climbed at a steady pace, and cruise ship passenger arrivals reached a new high for any year, at 503,415. Air arrivals of 565,845, a seven per cent increase over the year before, coupled with other arrivals from local inter-island operations, calls by U.S. Navy vessels and visitors from the British Virgin Islands, pushed the total to the highest level since 1973, and the third highest ever, at 1,184,392.

The exit survey of visitors, which was begun in 1976, continued and a first year report was published and is being used as a valuable tool in planning marketing programs to encourage more visitors and improve the tourist product.

Several key staff positions in the Division of Tourism were redefined to provide greater management depth and improve the sales effort. An assistant director of sales was added but filled from within, as was the new position of coordinator of advertising and collateral material. The responsibilities of manager of sports promotion was expanded to cover all sports activities and a coordinator of tourist information was added.

The Industrial Development Commission operated throughout the year without a director as the result of Legislative action but the Commissioner filled the role to keep ongoing programs from being interrupted.

To encourage industrial expansion, advertisements were placed in various mainland business publications. They drew more than 1,200 responses from potential investors. A total of nine public hearings and ten executive sessions were held, with fifteen applications for tax exemption and subsidies being approved by the Commission. Eight of these were new Virgin Island companies. The number of persons employed in tax-exempted businesses rose by 1,095 to 5,267 at year end.

The Small Business Development Agency worked closely with local banks as well as with its Federal counterpart in developing financial aid to small businesses. The problem of collecting delinquent loans was substantially lessened with an improved accounting system that produced collections of more than $160,000.

The Office of Policy Planning and Research, which operates under a grant from the Economic Development Administration of the U.S. Department of Commerce, completed its first year toward the goal of a comprehensive socio-economic development plan for the Territory. An initial step was the completion of a study of the islands' infrastructure. The director and staff of this group also provided support to the Governor's Economic Policy Council, which is chaired by the Commissioner in his role as the Governor's economic advisor.

Position papers were prepared for the council on such diverse issues as: the thirty per cent withholding tax under the "mirror system of taxation"; mass transit, Virgin Islands Refinery Corp. negotiations; Hess Oil negotiations, and Federal customs duty legislation that affects the Territory.

Policy Planning and Research submitted an application to the Small Business Administration to have Frederiksted designated as a commercial revitalization area, which made it eligible to receive up to $683,000 in long-term interest loans. An application was also submitted to the Farmer's Home Loan Administration for a $23,000 grant, also for the Frederiksted effort.

A Quarterly Economic Review was developed to improve the flow of statistics and other important information between Government, the private sector and the public. Two issues were published during the year.

The Office of Administration and Management continued to serve as the business office of the Department. The office improved many of the accounting procedures through internal booking systems, the upgrading of several key positions and employment of more professionally trained personnel.

The Office of Film Promotion had an extremely productive year, which was highlighted by their success in having the major motion picture, "The Island of Dr. Moreau", filmed in its entirety on St. Croix. This production is estimated to have left about $2.5 million in the local economy and employed approximately sixty-five island residents. Total revenues produced through this office were estimated at $3.5 million.

Considerable staff support was given to the Virgin Islands International Film Festival which, in spite of reduced financial support, was held for the second consecutive year. The festival and the several well known film names who participated generated extensive publicity for the islands in the U.S. and European movie trade press.

The Office of Rum Promotion developed cooperative advertising programs with the distributors of Virgin Islands rums in the U.S. and assisted the major distiller in obtaining tax exemption and subsidy benefits.

The Office of Public Relations continued to publicize the activities of the various functions of the Department. It also worked closely with the mainland public relations agency, particularly in the coordination of visits of writers and photographers from a variety of media, which resulted in feature stories in major newspapers and magazines.

DEPARTMENT OF CONSERVATION AND CULTURAL AFFAIRS

Personnel: 409 Operating Appropriation: $2,694,389

The year was characterized by steady growth and increased activities in all of the multi-faceted responsibilities of the Department of Conservation and Cultural Affairs. New programs were added which expanded it's mandate and the Department now works closely with many other local Government agencies and participated in 12 Federal grant-in-aid programs. In addition, the Department receives appropriations from the general fund, V.I. Conservation Fund and grants from private foundations.

Federal funds from several different agencies totaled nearly $3 million and were used primarily for the open space land program, construction of sewage systems, fish and wildlife studies and activities of the arts council. Additionally, allotments of $4 million from the V.I. Conservation Fund were authorized for land acquisition; development, improvement and maintenance of recreational areas and facilities; beautification; grants and contribution; summer employment programs; sewage systems; and water pollution and pesticides control programs.

The Commissioner served on the Caribbean Fisheries Management Council in accordance with the Fisheries Conservation and Management Act of 1976, and was elected chairman in February. He also spearheaded a resolution which led to negotiations between the United States and the United Kingdom to insure that the close association and relationship between the U. S. Virgin Islands and the British Virgin Islands is continued as it relates to fishing.

The Office of Planning and Development, the coordinating arm of the Department, submitted an application for a contingency grant from the Land and Water Conservation Fund to continue development of three recreational projects after earmarked monies had been exhausted. The application, for $282,000 was approved, and marked the first time the Virgin Islands received a grant from the Secretary of the Interior's contingency fund.

The Office also submitted development project alternatives for inclusion in the Community Development Block Grant programs sponsored by H. U. D. Over the past three years, twenty-six projects have been selected and funded under the program on all three islands.

Implementation of the V. I. Conservation Fund continued with sixteen recreational projects under various stages of development. Two were completed. In addition, further studies were conducted on the proposed Territorial park system with identification of potential sites for acquisition, and development options for location already under Government control.

In other areas, the Planning Division worked with the Bureau of Shoreline and Land Management of the Department of Conservation and Cultural

Affairs and the Virgin Islands Planning Office on establishment of a coastal zone management program.

The Division of Parks and Recreation expanded its efforts to improve and maintain the many parks and recreational facilities of the island, but vandalism continues as a major problem and has forced the closing of one of the large portable swimming pools. In spite of the problem, utilization of facilities was at a new high and more sports programs were conducted than in previous years. A drag strip was opened on St. Thomas, providing a safe, off-street area for this popular sport.

Recreational activities were not all youth-oriented. They included organized activities for senior citizens such as beach picnics, talent shows, receptions sponsored by local resort hotels, choir singing and concerts by the senior citizen's band, games, and programs teaching children how to knit and crochet. A highlight of the year was a gala birthday party for a lady senior citizen who turned 103. The celebration was attended by more than 300 guests.

The Bureau of Libraries, Museums and Archaeological Service staff began to see results of innovations made under a new director last year that included participant management by employees, reorganization of record keeping and management procedures, and new programs and services to the public.

Circulation statistics for the library system reflected a six and one-half per cent increase over last year to a total of 90,732 items.

New patrons numbered 4,811 and 6,759 new volumes or items were added to the collection.

The museum on St. Thomas and St. John counted 10,200 visitors during the year, an increase of thirty per cent, and the new museum in newly restored Fort Frederik on St. Croix, which opened at the close of the year, attracted 10,339 visitors.

The archaeological group had 266 sites registered at year-end. Many have yet to be properly sampled, but materials collected from thirty-five reveal that about one-third on St. Croix and nearly all on St. Thomas are aboriginal. An estimated 400,000 specimens were collected this year, bringing the total to more than one million since the effort began in 1974. A large number of these sites have been accepted by the National Park Service for listing in the National Register of Historic Places.

The Division of Natural Resources Management let three contracts during the year for the remainder of Charlotte Amalie sewage system which, when completed in 1978, will remove all domestic sewage from harbor waters. Other segments of the system were completed during the past several years, which eliminated the discharge of 2.5 million gallons of raw sewage per day and changed the appearance of Charlotte Amalie harbor dramatically. The water is blue again, fish are being caught along the bulkhead, children are swimming in the bay areas, and depth visibility in harbor waters has increased from three to four meters.

The remainder of the basic sewage system for St. Croix, which involved two pumping stations, was completed at the end of the year. St. Croix now has 27.4 miles of sewer lines and force mains in operation, and the St. Thomas system has 4.7 miles. Award of a contract for the construction of a sewage system for St. John was let during the year. The total cost for all completed and planned construction of the sewage collection and disposal systems on all three islands through 1983, is $79.5 million.

The Bureau of Shoreline and Land Management made a number of refinements to documents that authorize the alteration and use of public submerged lands. Among these were the inclusion of a termination date of the permit; the provision for fee increments; modification of assignment; time limits for beginning of construction; and provisions for final disposition of structures once the permit is terminated. A unified fee structure was established, and all permit sites photographed in detail for future reference. A legislative act, amending an earlier statute, authorized the Department to grant leases instead of permits for filled submerged land in order to facilitate bank financing of projects.

Among major activities involving submerged lands, was the removal of eighteen sunken vessels around St. Thomas that were navigation hazards. This is a continuing project for the areas around all three islands.

The planned expansion of Harry S. Truman Airport required a permit to include the dredging of five million cubic yards of sea bottom for the construction of more than 100 acres of filled land, primarily for the extension of the single runway. A permit was also granted for the construction of Coral World, an underwater observatory at Coki Point on St. Thomas. (It is now a major tourist attraction).

On St. Croix, a permit was issued to Amerada-Hess Oil for a transfer buoy to allow large crude carriers to pipe oil directly to the refinery, eliminating trans-shipment by barges.

Although oil spills are not a serious problem in the Virgin Islands at this time, a number of activities were carried out under the oil spill and prevention program - even though funds were not available for most of the year. A seminar on oil pollution was jointly sponsored with the Environmental Protection Agency that included participants from government and private concerns from the Virgin Islands and Puerto Rico. An up-to-date listing of persons and concerns that have equipment that could be used to clean up oil spills, was prepared and distributed to appropriate agencies and individuals. Much remains to be done, however, to develop an effective response capability. Specialized equipment is required, personnel must be trained and a contingency plan developed that can deploy equipment and manpower effectively.

The open shoreline effort resulted in the removal by three resort hotels of fences or barriers that restricted shore access to their beaches. The illegal removal of sand from beaches, particularly on St. Croix, has been greatly reduced through the efforts of the enforcement branch, which resulted in several arrests. Removal is a continuing problem; beaches are destroyed and the nesting places of sea turtles are disturbed.

The Bureau of Fish and Wildlife is attempting to meet the mandates set forth by the Department but only one area, law enforcement, has ever been almost totally funded by local appropriations. Essentially the bureau is being funded through Federal grants and as such, is limited by provisions of laws of the Federal Aid Cooperative Agreements between the local Government and Federal agencies. Under the agreement, the bureau was successful in making special arrangements with the Fish and Wildlife Service to include certain of its technical services to the Territory.

In its program of fish and wildlife studies, the bureau analyzed more than 1,000 fish specimens from natural and artificial reefs, which indicate that certain species increased ten fold since the sinking of materials to build reefs. Other statistics and information obtained are being shared with the Caribbean Fisheries Management Council to aid it in its preparation of fishery management plans.

The Council on the Arts conducted 117 individual projects during the year in its program to make the arts more widely available to all Virgin Islanders and to preserve and enrich the cultural heritage. Among these activities were the granting of scholarships for student artists to travel off-island for full-year and summer study programs, and an extensive touring program that brought professional ballet, modern dance and off-Broadway theatre to the islands for the first time.

CONSUMER SERVICES ADMINISTRATION

Personnel: 41 Operating Appropriation: $474,420

The high costs of consumer goods, particularly food items, led to meetings between Consumer Services Administration officials and the U. S. Department of Agriculture to discuss possible assistance to the Territory in studying food marketing practices. Assurance was given for technical assistance and training.

Contact was also made with representatives of the Food and Drug Administration concerning Federal/state relations, and labeling, freezing and adulteration of milk as well as sanitation standards for retail food establishments. The response for assistance in these areas was favorable and created a rapport for future cooperative action between the local agency and FDA.

In one of the strongest moves taken by a consumer protection agency anywhere, the CSA revoked the license of a prominent gift shop that catered to tourists for failing to deliver merchandise on which deposits were paid and to return deposits when requested to do so. More than 300 complaints were filed against the store over a five year period. The CSA petitioned the District Court to order the owners to set up a special $75,000 account for reimbursements to aggrieved customers, which was granted. However, the store owners subsequently filed for bankruptcy and since there were a number of secured creditors , restitution is unlikely.

The Division of Consumer Protection Services, which resulted from the merger of the Division of Consumer Education and Information, and Complaints and Investigation, processed 509 formal or written complaints. Of that number, 334 were resolved, with the remainder being resolved through the Small Claims Court or labeled as unjustified, unresolved due to insufficient evidence or closed due to lack of response from both the complainant and defendant.

Approximately ten administrative hearings were held to resolve disputes, with about three per cent referred to other litigation processes. An estimated 480 additional walk-in or emergency complaints were successfully handled by telephone or personal contacts. The dollar value of restitutions for the last eight months of the year totalled $52,077, compared to $52,858 for the same eight months of the previous year. (The first four months of the year were excluded as figures for these months of 1976 were not available for comparative purposes.) The five primary consumer complaints by category remained about the same as last year and were automobiles, business practices, appliances, mail order and housing.

There was a marked increased in all community outreach activities, including speaking engagements to schools, community and church groups.

In addition, numerous sessions with individual community groups were held on topics that included recognizing and exercising consumer rights and budgeting for the family.

Investigation and eforcement personnel of the Division of Weights and Measures issued 166 citations for violations of weights and measures statutes, which resulted in assessments of $4,200 in fines. An interesting note is that only thirty per cent were issued during the last half of the reporting period, which suggests that the activities of the Division had a sobering effect on certain members of the business community. The number of shortweight commodities were reduced by thirty-three per cent and thirty-four per cent fewer defective scales and gasoline pumps were reported compared to the previous year.

Inspectors checked 65,821 prepackaged commodities and approved 63,375. Of 724 scales inspected, 662 were approved and 578 of the 610 gasoline pumps inspected were approved.

The staff metrologist for the first time was able to check and recalibrate various weights and measuring test instruments locally. Previously this work had to be done outside of the Territory.

The Division of Licensing issued 7,584 business licenses, 1,898 of which were new, and collected $568,949 in fees and $31,296 in administrative penalties. In addition to the licensing of businesses, the Division continued to provide administrative assistance to various agencies and boards, including the Real Estate Commission and the boards for licensing barbers, beauticians and manicurists.

In an effort to reduce the time between application and issuance of a license, which is often inordinate, the Division held meetings with the various agencies that must approve an application. However, it is becoming more evident that the entire process must be restructured as there is no provision for the issuance of temporary business licenses or permits.

TABLE 2

TOP 10 CONSUMER COMPLAINTS

(ALL THREE ISLANDS)

CODE	CATEGORY	NUMBER RECEIVED
02	Business Practices	113
05	Automobile	86
47	Mail Order	61
04	Appliances	41
80	Travel	17
41	Housing	15
06	Auto Insurance	12
75	Telephone/Radio	9
33	Furniture	8
	*Danish House	272
	TOTAL	634

*Complaints received during litigation proceedings against the retail owners who have defrauded Virgin Islands consumers and tourists alike by accepting their money and not delivering the goods.

TABLE 13

STATEMENT OF LICENSES APPLIED FOR AND ISSUED DURING FISCAL YEAR 1977

	ST. THOMAS	ST. CROIX	ST. JOHN	TOTAL
a. Number of new licenses, excluding those in pending status	1,009	835	54	1,898
b. Number of renewals	3,452	3,309	258	7,019
c. Previous pending licenses issued during this period	-	-	-	-
d. In process for issuance*	47	76	7	130
Total number of licenses issued by district	3,280	4,028	276	7,584
GRAND TOTAL	3,327	4,104	283	7,714

*NOTE: This represents licenses that were approved and forwarded to the Machine Section for issuance, but were not issued early enough to be included in items "a" or "b". Also Statements of Licenses applied for and Issued during Fiscal Year 1977.

DEPARTMENT OF EDUCATION

Personnel: 1,793 Operating Appropriation: $34,022,734

Pupil enrollment in the public schools operated by the Department of Education reached a new high during the year but the downward trend in the growth rate, which began the year before, remained at about the same level. The decline in the rate is substantial compared to the early years of the decade.

In fact, in two grade groups, kindergarten and special education and ungraded, enrollment was down by small numbers. The total school population was 25,164 at year-end compared to the 1976 number of 24,369. One new school, an elementary, was opened and construction began on one elementary and two junior high schools.

Overcrowding remains a serious problem. Double sessions continue at too many school even though tapering off of enrollment and the addition of one new school enabled several to return to single sessions. The opening of three new schools in the near future should relieve but not completely eliminate the situation as the large number of students in the intermediate grades begin to reach the high school level within two years.

Fiscal problems are a fundamental concern for the Department. Budget restraints have prohibited overdue raises for teachers and other members of the Department, which has affected teacher morale and teacher-pupil relationships. Vandalism, a growing problem here as elsewhere, also had its effect on teachers and pupils alike in fulfilling the goal of providing quality education in pleasant facilities.

Efforts to implement pupil promotion policies, established in 1976 in cooperation with the Board of Education, resulted in several problems for elementary and secondary schools. The elementary policy provided for certain criteria for promotion and testing all students with standardized, teacher developed tests. This was not completed. On the secondary level several situations arose due to the apparent inconsistencies in the language of the policy covering the passing of a course or the passing of a grade with a D average. The problems were rectified at the end of the year, but both policies increased the numbers of retained students at all grade levels, which will create serious space problems for the secondary grades next school term.

In the curriculum and instruction area, the emphasis continues to be placed on the improvement of basic skills in language, arts and mathematics. There were several principal accomplishments in the field of English during the year, which included:

a school-wide composition examination for the second consecutive year in the four secondary schools. It is expected that yearly testing followed by detailed reporting of scores will give teachers a better idea of the effectiveness of their writing program;

sponsorship by the College of the Virgin Islands in cooperation with the Department of a series of in-service training sessions for secondary English and reading teachers, and

appointment of an English supervisor to serve as the coordinator of the right to read state leadership training project.

With Federal funding, the Department contracted with the University of Hartford to provide training for sixty school administrators and supervisors responsible for organization and supervision of school reading programs. The supervisor also served as the regional coordinator of an area-wide spelling bee to determine the champion speller who would represent the Virgin Islands at the national contest in Washington.

The School Assistance for Federally Affected Areas tutorial mathematics program enrolled more than 2,000 students in this after-school effort when it was initiated during the year. Although about 200 dropped out, many non-participants indicated a desire to join the program. Perhaps the most effective tool in influencing students to enroll and participate was the system 80 audio-visual learning device.

The Bureau of Library Services and Instructional Materials became deeply involved during the year in the planning, operation and implementation of the new Elementary and Secondary Education Act, which supports school libraries and their resource materials. This federal program replaced ESEA II and National Defense Education Act III.

The Office of Federal Programs completed its first full year of operation and noted progress in several areas. There was a significant improvement in relations between the U. S. Office of Education and the Virgin Islands Department of Education, and greater communications between the Office and project directors improved intra- and inter-departmental links. Also, control and accountability of Federal funds and reporting on an accurate basis have increased the Department's chances of receiving additional funds.

Grants were negotiated and awarded to provide projects for physically and mentally handicapped students; library resources and instructional materials, development of materials and textbooks on matters indigenous to the Virgin Islands; remedial reading and mathematics; planning, evaluation, research and testing; teacher training; school lunch; vocational and technical education; adult education and bilingual and bicultural education. Applications for discretionary grants were submitted for the following programs:

--Emergency School Aid Act

--Right to Read

--Career Education

--Coordination of Technical Assistance - Bilingual

--Bilingual Heritage and Ethnic Heritage Act

--National Diffusion Network

Project Introspection, the sole agency for the development of curriculum material to improve the teaching of history and culture of the Virgin Islands, has been operating with Emergency School Aid Act funds for the past two years. In spite of improved and effective instructional programs, ESAA funds were discontinued during the year.

Of necessity, many of the activities were curtailed but the project continued to produce new instructional material, mostly to explain the meaning of local holidays because much of the history of the Virgin Islands is commemorated by special days. Project CLEAR (Community and Language Experiences Approach to Reading) was instituted during the year in an effort to advance students' reading levels.

The programs of the Division of Adult and Continuing Education Division attracted 2,025 students during the year, 897 of whom were enrolled in adult basic education, a new high.

An adult education program was instituted at the correctional facility on St. Croix at the beginning of the year and enrolled forty inmates. Problems developed early in the effort because of the transient status of many inmates, but the program was revamped to anticipate this situation and a new contract with the Law Enforcement Planning Commission was arranged. Plans were nearly completed to offer a similar program to inmates of the St. Thomas facility.

The four distinct services performed by the Division of Pupil Personnel Services were reduced to three with the elimination, due to budget cutback, of the program of social work. The division, however, continued to make available to all students services in guidance, school health and attendance.

Continuing budget restrictions made it impossible to make any significant improvements in service. Nevertheless, through cooperation with Federal. programs, particularly ESEA III and IV, the division was able to obtain guidance and counseling materials as well as equipment and clerical assistance.

The Territorial scholarship program, which is administered by the Division, processed 441 applications which were submitted to the Board of Education for action. A total of 351 scholarships were used in full or in part and were valued at $413,112.

The Division of Special Education opened on St. Croix its first class for the physically handicapped and a junior high school level class for the deaf. An audiologist joined the teacher evaluative staff and provided services on all islands by reviewing 179 referrals and providing 1,488 screenings. The speech and hearing unit conducted more than 1,000 screenings and conducted bi-weekly individualized therapy for more than 200 students. Clinical psychologists have been added to the programs to evaluate students as well as train diagnostic and related staff.

The work study program, now in its third year on St. Croix, was started on St. Thomas during the year. Funded by the Comprehensive Employment and Training Act, the year-round work program subsidizes the salaries of special education students. This effort and a related one funded by the Law Enforcement Planning Commission, placed forty-two students in jobs during the year.

Enrollment in the Division of Vocational-Technical Education reached a new high, with 2,477 students participating in eighteen areas of instruction. The most popular program was home economics, which had nearly half of the students. Business and office education continued to be popular as was automotive trades, electricity and air conditioning and refrigeration. There was a significant decline in interest in agriculture and horticulture and to a lesser degree in building trades.

1976-77 Schools and Enrollment Summary
(June, 1977, Figures)

	1972-73	1973-74	1974-75	1975-76	1976-77
Number of Schools					
Public	32	32	32	32	33
Non-Public	24	24	22	24	24
Totals	56	56	54	56	57
School Enrollment					
Public	20,790	21,995	23,669	24,369	25,164
Non-Public	5,926	6,156	6,101	6,565	6,601
Totals	26,716	28,151	29,770	30,934	31,765
Public School Enrollment					
Kindergarten	1,401	1,434	1,764	1,988	1,922
Grades 1-6	11,085	11,745	12,122	12,863	13,040
Grades 7-12	6,635	7,055	7,813	8,520	9,222
Special Education & Ungraded	1,669	1,761	1,970	998	980
Totals	20,790	21,995	23,669	24,369	25,164

High School Graduate Data

	1972-73	1973-74	1974-75	1975-76	1976-77
Public	569	614	641	670	791
Non-Public	201	197	225	208	234
Totals	770	811	866	878	1,025

Breakdown on Graduates (June, 1977)

a. **Number Graduating:**

	Male	Female	Total	% College Bound
Central	126	202	328	*
Charlotte Amalie	173	190	363	41.0
Eudora Kean	22	78	100	29.0
Totals	321	470	791	

b. **Number Known to be College Bound:**

	Central	CAHS	Kean	Total
1. College of the Virgin Islands	*	61	11	72
2. Puerto Rico	*	1		1
3. U. S. Mainland	*	87	18	105
Totals	*	149	29	178

c. **Number of Non-Citizens Graduating:**

1. Central	145
2. Charlotte Amalie	119
3. Eudora Kean	25
Totals	289

* Report Incomplete

Public Schools Place of Birth Report
As of October, 1976

Place of Birth	St. Thomas/ St. John Number	St. Thomas/ St. John % of Enrollment	St. Croix Number	St. Croix % of Enrollment	Total Number	Total % of Enrollment
St. Thomas	7,908	64.2	238	1.9	8,146	32.8
St. Croix	136	1.1	6,937	55.5	7,073	28.5
U. S. Mainland	876	7.1	728	5.8	1,604	6.5
St. Kitts	882	7.2	653	5.2	1,535	6.2
Antigua	454	3.7	871	7.0	1,325	5.3
Trinidad/Tobago	193	1.6	840	6.7	1,033	4.2
Puerto Rico	251	2.0	557	4.5	808	3.3
Dominica	298	2.4	349	2.8	647	2.6
St. Lucia	106	0.86	530	4.2	636	2.6
British Virgin Islands	499	4.1	20	0.16	519	2.1
Nevis	131	1.1	153	1.2	284	1.1
Grenada	64	0.52	66	0.53	130	0.52
Montserrat	67	0.54	55	0.44	122	0.49
Santo Domingo	32	0.26	81	0.65	113	0.46
St. Vincent	12	0.10	91	0.73	103	0.42
Anguilla	91	0.74	7	0.06	98	0.39
St. Martin	61	0.50	32	0.26	93	0.37
Barbados	31	0.25	54	0.43	85	0.34
St. John	71	0.58	2	0.02	73	0.29
Aruba	3	0.02	67	0.54	70	0.28
Curacao	23	0.19	42	0.34	65	0.26
Europe	29	0.24	29	0.23	58	0.23
England	26	0.21	23	0.18	49	0.20
Jamaica	12	0.10	34	0.27	46	0.19
South America	3	0.02	14	0.11	17	0.07
Other	54	0.44	25	0.20	79	0.32
Totals	12,313	100	12,498	100	24,811	100

Virgin Islands Public Schools Retention Report
By Grades As of June, 1977

St. Thomas/St. John	Male	Female	Total	Enrollment	Percent
K	40	37	77	879	8.8
1	63	34	97	995	10.3
2	54	29	83	841	9.9
3	53	24	77	889	8.7
4	85	35	120	1,003	12.0
5	53	35	88	1,075	8.2
6	51	26	77	993	7.8
7	400	246	646	1,184	54.6
8	186	179	365	991	36.8
9	223	200	423	936	45.2
10	158	160	318	671	47.4
11	29	16	45	593	7.6
12	47	31	78	535	14.6
Special Education	14	12	26	185	14.1
Ungraded	107	60	167	319	52.4
Totals	1,565	1,106	2,671	12,089	22.1
St. Croix					
K	51	27	78	837	9.3
1	197	149	346	1,306	26.5
2	63	62	125	1,095	11.4
3	76	60	136	999	13.6
4	72	30	102	936	10.9
5	67	27	94	1,039	9.1
6	29	14	43	847	5.1
7	291	242	533	1,014	52.6
8	155	142	297	805	36.9
9	267	205	472	847	55.7
10	167	176	343	671	51.1
11	74	64	138	544	25.4
12	59	58	117	431	27.2
Special Education	31	21	52	200	26.0
Ungraded	11	13	24	112	21.4
Totals	1,610	1,290	2,900	11,683	24.8

FEDERAL GRANTS

FIVE YEAR COMPARISON

PROGRAM	1973	1974	1975	1976	1977
ESEA Title I-Educationally Deprived	$647,470	$608,857	$647,470	$647,470	$647,470
Administration	25,000	25,000	25,000	25,000	25,000
Children in Institutions for Delinquents	13,758	15,907	15,907	15,907	-0-
ESEA Title II-Library Resources	43,693	56,339	158,609	76,519	-0-
ESEA Title III-General State Programs	147,056	136,363	142,635	80,633	-0-
Administration	50,000	50,000	50,000	50,000	-0-
Early Childhood Preventive Curriculum	-0-	-0-	-0-	25,171	-0-
Guidance, Counseling & Testing	-0-	-0-	-0-	15,278	-0-
Project Success Environment	-0-	25,951	-0-	-0-	-0-
SWRL Kindergarten Program - St. Thomas	18,740	-0-	-0-	-0-	-0-
SWRL Kindergarten Program - St. Croix	5,235	-0-	-0-	-0-	-0-
ESEA Title IV-Planning and Evaluation	18,535	8,796	11,454	-0-	-0-
Part B-Library & Learning Resources	-0-	-0-	-0-	114,340	249,110
Part C-Educational Innovation & Support	-0-	-0-	-0-	143,945	334,377

FEDERAL GRANTS-FIVE YEAR COMPARISON (continued)

PROGRAM	1973	1974	1975	1976	1977
ESEA Title V-Strengthening State Administration	$ 77,019	$ 77,445	$ 81,872	$ 46,552	$ -0-
ESEA Title VI-Education of the Handicapped/Part B	80,000	115,000	150,000	112,500	319,268
Part D-Training Professional Personnel in Education of Handicapped	30,000	47,333	50,000	-0-	-0-
Part C-Education of the Handicapped (RRC)			25,000		
Part F-Education of the Handicapped (ALRC)					
Deaf Blind Project	3,082	45,467	-0-	39,993	44,593
ESEA Title VII-Bilingual Bicultural Education-St. Croix	100,000	115,000	114,300	*	
Fredensberg Bilingual Heritage Education Program	-0-	-0-	90,000	*	
V. I. Bilingual Heritage Education Program	-0-	-0-	-0-	*235,250	217,561
Bright Beginnings	-0-	-0-	-0-	-0-	34,346
Coordination of Technical Assistance for Bilingual Education Program	-0-	-0-	-0-	-0-	4,299
Bilingual Folklore Project	-0-	-0-	-0-	8,100	-0-
Right to Read Project	12,600	40,000	28,636	-0-	30,000

FEDERAL GRANTS-FIVE YEAR COMPARISON(continued)

PROGRAM	1973	1974	1975	1976	1977
NDEA Title III-Administration	$ 4,000	$ 4,000	$ 4,000	$ 3,377	$ -0-
Acquisition & Remodeling	50,000	25,000	25,000	25,000	-0-
Adult Basic Education	59,867	42,629	79,863	79,863	123,695
Adult Indochinese Refugee Education Program	-0-	-0-	-0-	223	-0-
Law Enforcement-GED/ABC Correction	-0-	-0-	-0-	17,000	-0-
Adult Education-CETA	-0-	-0-	-0-	25,000	25,000
Research & Development In Career Education	6,786	-0-	-0-	-0-	-0-
Career Staff Development	20,019	10,000	30,000	-0-	-0-
Drug Education & Training Program	23,200	-0-	-0-	-0-	-0-
Help Communities Help Themselves-St. Thomas/St. Croix	-0-	7,262	-0-	-0-	-0-
Drug Abuse Prevention & Early Intervention	-0-	-0-	25,640	10,611	3,308
Special Federal Grants to Education	106,846	162,442	104,546	126,877	-0-
SAFA/LCH Tutorial Mathematics	-0-	-0-	-0-	-0-	466,635
National School Lunch Program	889,345	1,079,785	1,710,016	1,856,222	2,006,141
Emergency School Aid Act (ESAA)	-0-	1,583,630	776,047	645,413	626,310
EPDA V. I. Personnel Development	35,000	16,770	35,000	-0-	-0-
OE/State Student Incentive Grant	-0-	-0-	3,822	3,618	7,681

FEDERAL GRANTS-FIVE YEAR COMPARISON (continued)

PROGRAM	1973	1974	1975	1976	1977
V. I. Dissemination Design & Development Program	$ -0-	$ -0-	$ -0-	$ -0-	$ 5,000
Major Disaster Assistance	-0-	-0-	152,132	-0-	-0-
MDTA State Director and Supervision	90,552	60,315	-0-	-0-	-0-
Projects	58,770	83,320	-0-	-0-	-0-
Vocational Education-Basic Grants Part-B	153,528	140,508	140,528	138,730	137,727
Research-Part C	3,186	3,066	2,954	2,954	2,712
Innovation-Part D	3,982	5,972	3,982	3,982	1,992
Consumer & Homemaking & Teacher Education-Part F	13,565	10,556	11,813	13,453	12,384
Cooperative Education-Part G	9,706	9,706	9,706	9,706	7,280
Work Study-Part H	2,918	2,115	2,529	2,529	1,867
Special Needs Section-Part H	10,583	10,000	10,000	10,000	7,500
V. I. Exemplary Vocational Career Education Center	-0-	-0-	-0-	7,964	3,982
Cooperative Assistance for State Assistance-EPDA	-0-	-0-	-0-	28,000	28,000
Adult Vocational and Technical Education (CETA)	-0-	-0-	-0-	12,794	117,341
Hiring Driver Education Teachers	-0-	-0-	-0-	-0-	59,000
Driver Education (304)	-0-	-0-	-0-	-0-	10,482
Total Federal Grants	$2,814,041	$4,624,534	$4,718,461	$4,677,974	$5,560,061

DEPARTMENT OF FINANCE

Personnel: 296 Operating Appropriation: $4,019,017

The Virgin Islands Government during the year developed program budgeting for the first time. The significance is that accountability for functions moved from the divisions of various Government departments and agencies to activity centers as appropriations and allotments centered on these organizational subdivisions.

The shift from a line-item method to an activity center format required the creation of a host of new accounts in order for obligations to be recorded in the proper appropriation accounts. The burden of establishing these accounts within established time limits became the responsibility of the Accounting and Data Processing Divisions of the Department of Finance. The changes were made smoothly and effectively.

The most significant changes that affected tax administration were those resulting from passage by Congress of the Tax Reform Act of 1976. Among the changes were disclosure rulings, jeopardy assessments, termination assessments, exemptions from levy and summons for books and records. These, as well as a recent ruling of the Supreme Court on placement of levies on private property, had strong influences upon the manner in which the division performed.

A measure of what the Tax Division dealt with during the year can be seen from the number of returns filed by taxpayers. The total was 93,186, two-thirds of which were returns for gross receipts and individual income. Delinquencies continued to be a problem, and efforts to collect from these accounts resulted in $4.6 million. The average collection per hour per revenue officer based on a 40-hour week was $147, or an average annual production per officer of $306,393.

In addition to its work in implementing the activity center format of budgeting, the Accounting Division realized the early closing of the subsidiary ledgers of appropriations and funds which, for many years, was an elusive target. This was made possible through the assistance of the Data Processing Division and the cooperation of the Budget Office in submitting allotment vouchers within the deadlines established by the Department.

At the beginning of the year the division began logging the number of documents returned to various departments and agencies to determine why many were rejected before entering the processing system and what could be done to correct the situation. It was found that lack of signatures and insufficient funds were the dominant reasons for rejections. Through informational programs, rejections for the year dropped to 320 from the 677 of the previous year.

Problems associated with the centralized accounts receivable system, which is managed by the Treasury Division, persisted throughout the year. These included late submission of schedules by billing agencies showing bill issued and recalled, and late submission of schedules by collectors showing bills paid.

The collection of delinquent receivables other than internal revenue taxes occupied much attention of the Division. Although current statistics were not available for the report, it is estimated that the collection results equalled the $1.7 million collected last year.

The Division also managed the investment of idle Government cash. Interest earnings for time certificates and savings accounts were $5,480,942, an increase of 12.5 per cent over the previous year. The Employees Retirement System had a portfolio that consisted of $25.1 million in corporate bonds and $10.3 million in U.S. Treasury Bonds. Certificates of deposit purchased locally by the system yielded $1,063,811 compared to $1,081,305 the year before. Personal and mortgage loans to members of the system amounted to $16.7 million at the end of the year and loans to governmental agencies still outstanding totaled $10 million.

The Data Processing Division, relying on recommendations and suggestions of other department and agencies, maintained, modified, created and updated systems to provide regular periodic reports, registers and other data for payrolls, accounts receivable, general ledgers, subsidiary ledgers, licensing of more than 6,000 businesses, appraisals and taxation of real property and other special activities of the government. At the same time it produced the payroll for the V.I. Port Authority, issued U.S. Savings Bonds on a biweekly basis and public assistance payrolls monthly.

The Payroll Division consolidated the weekly and biweekly pay periods into one biweekly payroll, eliminating the extra week of processing. At the same time many operating routines were overhauled, revised or refined in the preparation of approximately 10,116 payroll checks every two weeks. Among the many payroll deductions were those for 6,315 U.S. Savings Bonds with a maturity value of $257,800.

The Alcohol Control Board inspected and approved for export to the U.S. 1,921,096 proof gallons of alcohol, all but a few gallons of which was rum.

Sources of Revenues - All Funds,
excluding certain Enterprise and Revolving, and Agency, Trust and Deposit Funds, and including taxes held in escrow for subsidy payments.

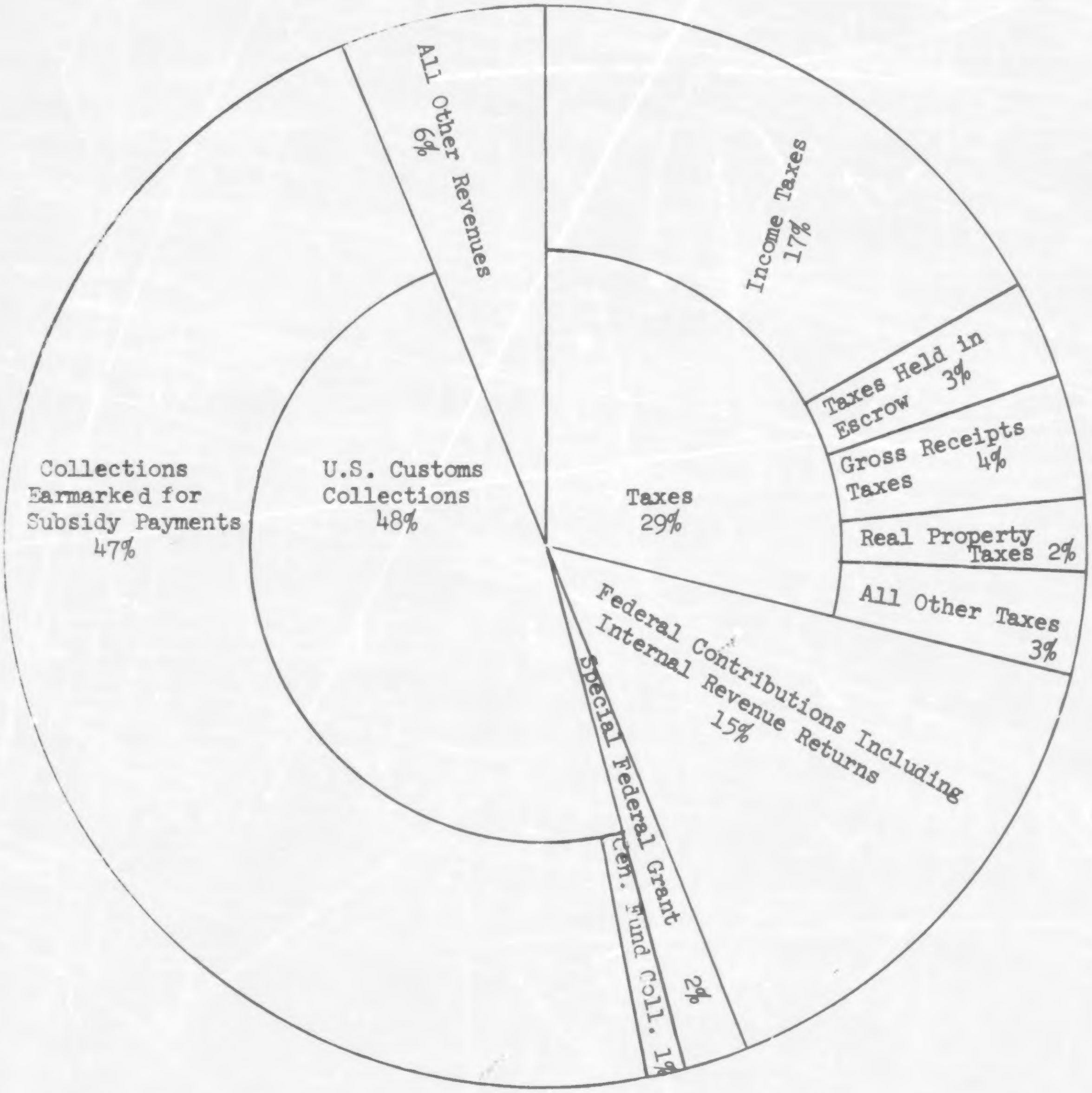
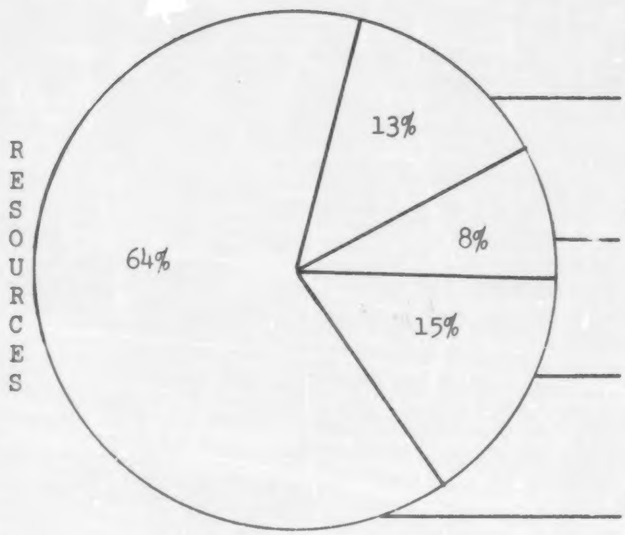
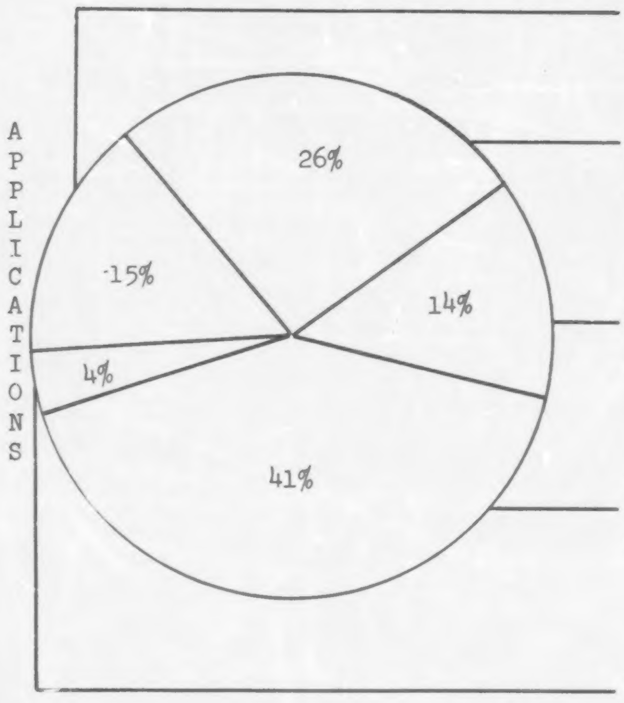


Figure 1.

Relationship Between General Fund Cash Resources and Applications



Cash Reserves and Carried Over Surplus, 6-30-76	$ 5,270,738
Reserves for encumbrances & payables	12,908,820
Adjustment	(387,866)
Total Cash Reserves, 7-01-76 (Adjusted)	$ 17,791,692
Contributions From Other Funds (Exhibit "I")	10,579,614
All Other Revenues & Receipts (Exhibit "I")	19,045,695
Taxes (Exhibit "I")	84,836,869
Total	$132,253,870



Obligations - Dept. of Health (Exhibits "J" & "K" less deleted encumbrances)	$ 19,483,354
Obligations - Dept. of Education (Exhibits "J" & "K" less deleted encumbrances)	35,014,182
Obligations - Dept. Of Public Works (Exhibits "J" & "K" less deleted encumbrances	18,783,364
Other Departmental Obligations (Exhibits "J" & "K" less deleted encumbrances)	53,822,138
Cash Reserves and Surplus, 6-30-77	5,150,832
Total	$132,253,870

Figure 3.

Types of Expenditures - All Funds,
excluding certain Enterprise and Revolving, and certain Agency,
Trust and Deposit Funds, and including subsidy payments.

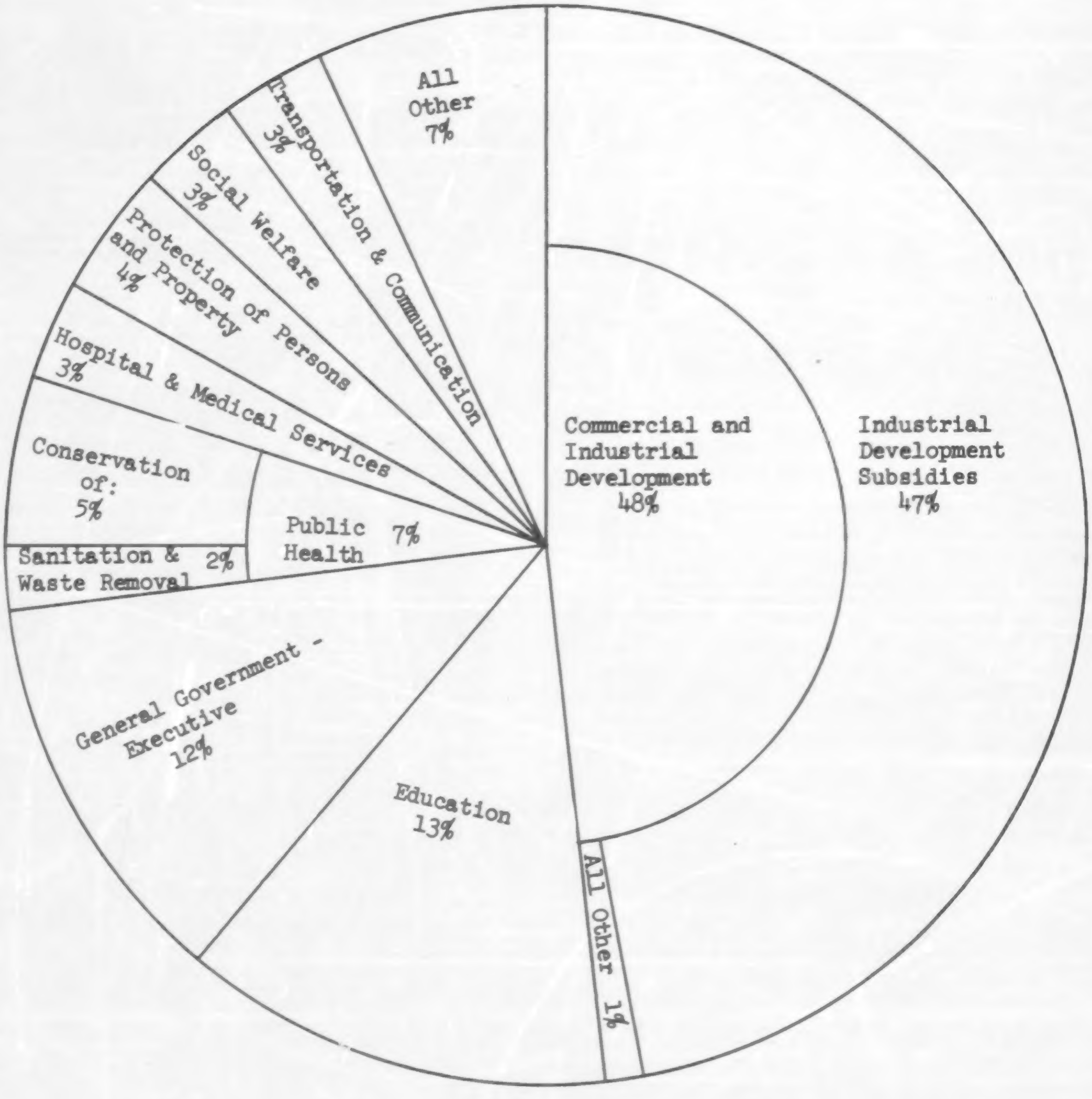


Figure 2

Government of the Virgin Islands
All Funds
COMBINED BALANCE SHEET
At June 30, 1977

ASSETS AND OTHER DEBITS	General Fund	Matching Fund	Special Funds	Enterprise & Revolving Funds	Agency, Trust and Deposit Funds	Payroll Fund	General Fixed Assets	Bonded & Other Debt
Cash	$13,361,081	$ 8,067,519	$21,062,224	$13,496,804	($ 27,741,252)	$1,755,815	-	-
Change & Petty Cash Advances	110,577	-	400	25	-	-	-	-
Travel Advances	22,235	-	18,954	1,243	-	-	-	-
Special Cash Advances	169,797	-	24,105	-	-	-	-	-
Guarantee Deposits	19,020	-	-	-	20,000	-	-	-
Investments	3,000,000	-	21,330,155	25,000	122,811,222	-	-	-
Payroll Deductions Receivable	-	-	-	81,325	2,833,169	-	-	-
Accounts Receivable (Net)	25,741,705	-	299,984	11,811,141	588,768	-	-	-
Custom Duties Receivable	390,000	-	-	-	4,346,670	-	-	-
Loans Receivable (Net)	-	-	-	3,724,445	18,123,560	-	-	-
Due From Other Funds	493,332	-	135,197	71,883	10,497,973	-	-	-
Due From Hess Oil Corporation	-	-	1,357,500	-	-	-	-	-
Due From V.I. Port Authority	2,594,010	-	1,301,443	-	-	-	-	-
Due From the Federal Government	-	-	15,544,847	-	-	-	-	-
Due From V.I. Lottery	-	-	-	79,338	-	-	-	-
Due From V.I. Government	-	-	223,225	1,346,526	-	-	-	-
Due From the College of the V.I.	-	-	-	-	60,000	-	-	-
Accrued Interest Receivable - Investments	-	-	1,967,431	559	525,620	-	-	-
Accrued Interest Receivable - Other	-	-	-	54,400	1,325	-	-	-
Prepaid Expense	8,000	-	-	3,960	-	-	-	-
Inventory of Potable Water	155,979	-	-	-	-	-	-	-
Inventory of Stores for Resale	-	-	-	1,633,715	-	-	-	-
Inventory of Supplies	535,125	99,835	91,291	5,875	-	-	-	-
Amount to be Provided for Payment of Serial Bonds	-	-	-	-	-	-	-	$ 57,618,000
Amount to be Provided for Payment of Loans and Interest	3,681,143	4,210,000	-	-	-	-	-	-

Exhibit "A" (Cont'd)

Government of the Virgin Islands
All Funds
COMBINED BALANCE SHEET
At June 30, 1977

ASSETS AND OTHER DEBITS	General Fund	Matching Fund	Special Funds	Enterprise & Revolving Funds	Agency, Trust and Deposit Funds	Payroll Fund	General Fixed Assets	Bonded & Other Debt
Amount to be Provided for Payment to General Service Administration (Estate Golden Grove)	-	-	-	-	-	-	-	$ 77,687
Amount to be Provided for Payment to General Service Administration (Cuba Libre)	-	-	-	-	-	-	-	4,950
Amount to be Provided for Payment to General Service Administration (Estate Adventure, Well Field)	-	-	-	-	-	-	-	21,262
Amount to be Provided for Payment to General Service Administration (Estate Peter's Rest)	-	-	-	-	-	-	-	51,300
Amount to be Provided for Payment to General Service Administration (Estate Bonne Esperance and Estate Slob, St. Croix)	-	-	-	-	-	-	-	608,760
Amount to be Provided for Payment to General Service Administration (Upper Bethlehem, Fredensborg and Slob, St. Croix)	-	-	-	-	-	-	-	1,206,405
Amount to be Provided for Payment to the Government Insurance Fund for Loan	-	-	-	-	-	-	-	869,000
Amount to be Provided for Payment to the Employees Retirement Fund for Loans	-	-	-	-	-	-	-	2,000,000
Amount to be Provided for Payment of Interest on Bonds and Other Debt	-	-	-	-	-	-	-	51,762,507
Highways	-	-	-	-	-	-	$ 27,020,224	-
Land	-	-	-	1,889,097	-	-	30,307,049	-
Buildings	-	-	-	13,687	-	-	71,696,468	-
Equipment (Net)	-	-	-	1,141,923	-	-	27,762,416	-
Work in Progress	-	-	-	-	-	-	4,571,348	-
Other Structures	-	-	-	-	-	-	45,387,942	-
Total Assets and Other Debits	$50,282,004	$12,377,354	$63,356,756	$35,380,946	$132,067,055	$1,755,815	$206,745,447	$114,219,871

Government of the Virgin Islands
All Funds
COMBINED BALANCE SHEET
At June 30, 1977

LIABILITIES, RESERVES, APPROPRIATIONS, SURPLUS AND BALANCES	General Fund	Matching Fund	Special Funds	Enterprise & Revolving Funds	Agency, Turst and Deposit Funds	Payroll Fund	General Fixed Assets	Bonded & Other Debt
Liabilities:								
Loans Payable	-	-	-	$ 197,333	$ 10,180,000	-	-	-
Mortgage Payable	-	-	-	4,577,340	-	-	-	-
Accounts Payable	$ 621,455	$ 6,288	$ 80,747	246,460	733	-	-	-
Due to Other Funds	3,736,436	4,210,000	226,129	910,326	347,124	-	-	-
Serial Bonds Payable	-	-	-	-	-	-	-	$ 57,618,000
Amount Due to General Services Administration (Estate Adventure, Well Field, Estate Golden Grove to Estate Cuba Libre, Estate Bonne Esperance and Estate Slob, Upper Bethlehem, Fredensborg, St. Croix)	-	-	-	-	-	-	-	2,266,929
Amount Due to Government Insurance Fund	-	-	-	-	-	-	-	946,526
Amount Due to Employees Retirement Fund	-	-	-	-	-	-	-	2,168,219
Amount Due to the V.I. Port Authority	80,590	-	-	-	-	-	-	-
Interest Payable in Future Years on Serial Bonds	-	-	-	-	-	-	-	51,220,197
Total Liabilities	$ 4,438,481	$ 4,216,288	$ 306,876	$ 5,931,459	$ 10,527,857	-	-	$114,219,871
Reserves:								
For Encumbrances	$11,065,731	$ 1,388,912	$11,217,077	$ 6,645,574	$ 147,404	-	-	-
For Receivables Unrealized	29,246,066	-	4,994,715	-	7,786,049	-	-	-
For Cash Advances	302,609	-	43,459	1,268	-	-	-	-
For Estimated Disability & Death Compensation Payments	-	-	-	3,964,836	-	-	-	-
For Contingencies	400,000	-	-	-	-	-	-	-
For Inventory of Supplies	691,104	99,835	91,291	-	-	-	-	-
For Legacies	-	-	-	-	1,000	-	-	-

Government of the Virgin Islands
All Funds
COMBINED BALANCE SHEET
At June 30, 1977

LIABILITIES, RESERVES, APPROPRIATIONS, SURPLUS AND BALANCES	General Fund	Matching Fund	Special Funds	Enterprise & Revolving Funds	Agency, Trust and Deposit Funds	Payroll Fund	General Fixed Assets	Bonded & Other Debt
Reserves:								
For Internal Revenue Tax Refunds	$ 1,517,876	-	-	-	-	-	-	-
For Employers' Contribution to Retirement System	-	-	-	-	$ 24,344,392	-	-	-
For Membership Annuities	-	-	-	-	34,698,600	-	-	-
For Members' Contribution to Retirement System	-	-	-	-	23,643,681	-	-	-
Total Reserves	$43,223,386	$ 1,488,747	$16,346,542	$10,611,678	$ 90,621,126	-	-	-
Appropriations Carried Forward	$ 334,365	$ 2,376,046	$ 2,770,279	-	-	-	-	-
Surplus:								
Investment in Fixed Assets	-	-	-	-	-	-	$206,745,447	-
Operating Surplus	$ 2,285,772	$ 4,296,273	$ 1,742,538	-	-	-	-	-
Total Surplus	$ 2,285,772	$ 4,296,273	$ 1,742,538	-	-	-	$206,745,447	-
Contribution from Local Government	-	-	-	$ 3,951,750	-	-	-	-
Contribution from Federal Government	-	-	-	450,964	-	-	-	-
Fund Balance/Retained Earnings	-	-	$42,190,521	14,435,095	$ 30,918,072	$1,755,815	-	-
Total Liabilities, Reserves, Appropriations, Surplus, Contributions and Balances	$50,282,004	$12,377,354	$63,356,756	$35,380,946	$132,067,055	$1,755,815	$206,745,447	$114,219,871

Government of the Virgin Islands
General Fund, Matching Fund and 1976-1977 Emergency Loan Fund
COMPARATIVE STATEMENT OF APPROPRIATIONS
Fiscal Year 1973 - 1977

	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
General Fund and 1976-1977 Emergency Loan Fund (Note)					
Operating Expenses	$104,405,120	$104,956,394	$102,088,432	$ 92,546,333	$ 88,604,104
Capital Projects	25,000	171,811	19,170	80,700	204,000
Other Budgetary Items:					
Contribution to the College of the Virgin Islands	3,931,598	4,224,891	4,651,093	4,009,246	4,313,855
Contribution to the Virgin Islands Port Authority	-	-	360,000	360,000	360,000
All Other Budgetary Items	19,582,689	19,212,559	25,732,914	19,340,338	14,851,687
Total General Fund and 1976-1977 Emergency Loan Fund	$127,944,407	$128,565,655	$132,851,609	$116,336,617	$108,333,646
Matching Fund:					
Capital & Other Projects	$ 4,184,942	$ 5,263,835	$ 5,883,428	$ 11,110,597	$ 10,502,834
Other Budgetary Items:					
Contribution to the General Fund	3,200,000	23,721,200	6,847,787	7,900,000	8,000,000
Debt Service Requirements	4,049,674	2,524,694	2,550,135	2,807,249	2,602,692
Contribution to the College of the Virgin Islands	731,646	762,200	561,809	648,842	401,928
Interest and Insurance on the Acquisition of Former Vicorp and Sub Base Properties	154,794	202,950	249,881	277,569	350,272
Emergency Purchase of Water	-	-	500,000	-	-
Contribution to Emergency Molasses Fund	1,000,000	973,974	1,100,000	-	-
Contribution to Virgin Islands Port Authority	2,850,000	-	-	-	-
Payment of Interfund Loans	1,817,097	524,923	162,780	649,966	271,390
Total Matching Fund	$ 17,988,153	$ 33,973,776	$ 17,855,820	$ 23,394,223	$ 22,129,116
Grand Total	$145,932,560	$162,539,431	$150,707,429	$139,730,840	$130,462,762

Note: Act No. 3849 created the 1976-1977 Emergency Loan Fund to meet the expenses of the Executive Offices of the Governor. Such expenses are normally and were formerly funded in the General Fund.

Government of the Virgin Islands
General Fund and Matching Fund
COMPARATIVE STATEMENT OF REVENUES AND RECEIPTS
Fiscal Years 1973 - 1977

Source	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
General Fund					
Other Items (Gross) (Cont'd):					
Oil Import Fees	-	$ 3,299,674	-	-	-
Special Federal Grant	$ 8,500,000	-	-	-	-
Other	483,637	506,855	$ 1,801,883	$ 188,504	$ 414,119
Total Other Items (Gross)	$ 15,923,973	$ 8,743,030	$ 9,201,496	$ 9,910,695	$ 8,898,244
Less: Refunds	5,227	844	2,192	1,711	4,551
Total Other Items (Net)	$ 15,918,746	$ 8,742,186	$ 9,199,304	$ 9,908,984	$ 8,893,693
Refunds, Over and Undue Collections	$ 591,234	$ 445,810	$ 417,873	$ 493,561	$ 691,688
Total before Contributions from other Funds	$103,882,564	$ 86,190,323	$ 96,877,447	$ 95,700,202	$84,034,864
Contribution from Other Funds:					
Matching Fund	$ 3,200,000	$ 23,721,200	$ 6,847,787	$ 8,000,000	$ 7,900,000
Special Funds	1,979,614	3,346,145	177,780	-	-
Interest Revenue Fund	5,400,000	5,400,000	6,000,000	3,700,000	3,700,000
Road Fund	-	-	-	500,000	-
Health Revolving Fund	-	2,200,000	2,344,579	1,700,000	1,825,000
Total Contributions	$ 10,579,614	$ 34,667,345	$ 15,370,146	$ 13,900,000	$13,425,000
Total Revenues & Receipts - General Fund	$114,462,178	$120,857,668	$112,247,593	$109,600,202	$97,459,864
Matching Fund					
Internal Revenue Matching Contributions	$ 18,597,381	$ 32,732,853	$ 16,603,608	$ 16,585,211	$22,408,916
Other Receipts	346	7,293	20,034	-	-
Total Revenues and Receipts - Matching Fund	$ 18,597,727	$ 32,740,146	$ 16,623,642	$ 16,585,211	$22,408,916

Government of the Virgin Islands
General Fund and Matching Fund
COMPARATIVE STATEMENT OF REVENUES AND RECEIPTS
Fiscal Years 1973 - 1977

Source	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
General Fund					
Taxes (Gross):					
Real Property	$ 7,485,825	$ 4,840,176	$ 6,239,869	$ 4,428,177	$ 4,694,950
Individual Income	47,803,745	53,576,227	52,588,754	43,736,096	43,485,189
Corporate Income	19,839,549	10,125,517	14,744,393	27,432,461	14,758,738
Gross Receipts	12,747,812	13,029,811	11,458,269	10,272,910	9,572,751
Trade and Excise	4,910,372	4,479,500	4,412,928	3,997,691	4,184,883
Inheritance/Gift	354,727	772,862	408,160	372,693	276,129
Stamp	435,304	406,169	463,531	685,055	496,994
Production	2,782	2,556	4,170	251,325	16,129
Corporate Franchise	141,760	109,000	104,592	96,835	97,171
Total Taxes (Gross)	$ 93,721,876	$87,341,818	$90,424,666	$91,273,243	$77,582,934
Less: Refunds	8,885,007	12,449,625	4,998,267	7,943,511	4,526,326
Total Taxes (Net)	$ 84,836,869	$74,892,193	$85,426,399	$83,329,732	$73,056,608
Government Operating Income (Gross):					
Sewerage Service Charges	$ 17,105	$ 23,439	$ 23,945	$ 35,592	$ 24,334
Water Supply Service Charges	2,073,285	1,892,152	1,600,875	1,593,447	1,077,720
Other	446,911	194,543	210,931	339,746	292,330
Total Operating Income (Gross)	$ 2,537,301	$ 2,110,134	$ 1,835,751	$ 1,968,785	$ 1,394,384
Less: Refunds	1,586	-	1,880	860	1,509
Total Operating Income (Net)	$ 2,535,715	$ 2,110,134	$ 1,833,871	$ 1,967,925	$ 1,392,875
Other Items (Gross):					
Licenses, Fees and Permits	$ 2,207,528	$ 2,204,433	$ 2,333,823	$ 2,298,352	$ 1,626,099
Fines, Forfeits and Penalties	60,131	108,514	120,851	64,553	58,373
Rents and Concessions	55,410	127,548	100,776	133,004	141,657
U.S. Custom Duties	4,617,267	2,496,006	4,844,163	7,226,282	6,657,996

Government of the Virgin Islands
General Fund and Matching Fund
COMPARATIVE STATEMENT OF ANNUAL PERCENTAGE INCREASES (DECREASES) - REVENUES AND RECEIPTS
Fiscal Years 1973 - 1977

Source	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
General Fund					
Taxes (Gross:					
Real Property	54.66%	(22.43)%	40.91%	(5.68)%	7.82%
Individual Income	(10.78)	1.87	20.24	0.58	7.14
Corporate Income	95.94	(31.33)	(46.25)	85.87	25.89
Gross Receipts	(2.16)	13.71	11.54	7.31	14.44
Trade and Excise	9.62	1.51	10.39	(4.47)	(2.50)
Inheritance	(54.10)	89.35	9.52	34.97	(5.34)
Stamp	7.17	(12.38)	(32.34)	37.84	16.23
Production	8.84	(38.71)	(98.34)	1,458.22	(73.38)
Corporate Franchise	30.06	4.21	8.01	(0.35)	(3.71)
Total	7.30	(3.41)	(.93)	17.65	(1.03)
Refunds	(28.63)	149.07	(37.08)	75.50	16.36
Total Taxes (Net)	13.28	(12.34)	2.25	14.06	(1.94)
Government Operating Income (Gross):					
Sewerage Service Charges	(27.02)	(2.11)	(32.72)	46.26	(16.36)
Water Supply Charges	9.57	18.19	.45	47.85	6.86
Other	129.72	(7.77)	(37.91)	16.22	10.37
Total	20.24	14.95	(6.76)	41.19	7.06
Refunds	-	(100.00)	118.60	(43.01)	-
Total Operating Income (Net)	20.17	15.06	(6.81)	41.28	6.94
Other Items (Gross):					
Licenses, Fees and Permits	.14	(5.55)	1.54	41.34	3.46
Fines, Forfeits and Penalties	(44.59)	(10.21)	87.20	10.59	(2.20)
Rents and Concessions	(56.56)	26.57	(24.23)	(6.11)	(8.14)
U.S. Custom Duties	84.99	(48.47)	(32.96)	8.53	11.47
Oil Import Fees	(100.00)	-	-	-	-
Special Federal Grant	-	-	-	-	-

Government of the Virgin Islands
General Fund and Matching Fund
COMPARATIVE STATEMENT OF ANNUAL PERCENTAGE INCREASES (DECREASES) - REVENUES AND RECEIPTS
Fiscal Years 1973 - 1977

Source	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
General Fund					
Other Items (Gross) (Cont'd):					
Other	(4.58)%	(71.87)%	855.88 %	(54.48)%	42.56 %
Total	82.13	(4.98)	(7.16)	11.38	10.55
Refunds	519.31	(61.50)	28.11	(62.40)	-
Total Other Revenues (Net)	82.09	(4.96)	(7.16)	11.42	10.50
Refunds, Over and Undue Collections	32.62	6.69	(15.33)	(28.64)	267.16
Total Before Contributions from Other Funds	20.53	(11.04)	1.09	13.87	(.04)
Contributions from Other Funds:					
Matching	(86.51)	246.40	(14.40)	1.27	145.72
Special Funds	(40.84)	1,782.18	-	-	(100.00)
Interest Revenue Fund	-	(10.00)	62.16	-	(43.08)
Health Revolving Fund	(100.00)	(6.17)	37.92	(6.85)	473.22
Total Contributions	(69.48)	125.54	10.58	3.54	32.79
Total General Fund	(5.29)	7.67	2.41	12.46	3.51
Matching Fund					
Internal Revenue Matching Contribution	(43.18)	97.14	.11	(25.99)	15.42
Other Receipts	(95.26)	(63.60)	-	-	(100.00)
Contributions from Other Funds	-	-	-	-	(100.00)
Total Revenues and Receipts - Matching Fund	(43.20)	96.94	.23	(25.99)	14.13

Government of the Virgin Islands
General Fund, Matching Fund and 1976-1977 Emergency Loan Fund (Note)
COMPARATIVE STATEMENT OF OBLIGATIONS
Fiscal Years 1973 to 1977

	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
Matching Fund					
Public Projects:					
Public Works	$ 254,838	$ 238,912	$ 2,251,559	$ 2,594,124	$ 5,785,961
Education	100,000	74,135	197,140	-	-
Social Welfare	167,291	-	350	-	-
Housing & Community Renewal	-	564,999	300,000	300,144	1,128,000
Health	201,297	-	-	-	-
Legislature	3,888	14,936	-	-	21,898
Office of the Governor	-	-	62,661	36,100	-
Agriculture and Recreation	-	-	-	-	15,000
Finance	2,738,503	2,075,354	1,580,908	2,232,528	2,165,766
Conservation & Cultural Affairs	2,340	-	-	-	621,116
Public Safety	269,086	41,246	20,000	49,709	121,125
Judicial (Territorial Courts)	-	-	-	-	19,840
Total Public Projects	$ 3,737,243	$ 3,009,582	$ 4,412,618	$ 5,212,605	$ 9,878,706
Contributions and Transfers:					
To Debt Service Fund	$ 4,049,674	$ 2,524,694	$ 2,550,135	$ 2,452,249	$ 2,602,692
To College of the Virgin Islands	612,200	612,200	561,809	648,842	401,928
To General Fund	3,200,000	23,721,200	6,847,787	7,900,000	7,900,000
To Molasses Subsidy Fund	1,000,000	973,974	1,100,000	-	-
To Virgin Islands Port Authority	1,876,000	-	-	-	-
Total Contributions and Transfers	$ 10,737,874	$ 27,832,068	$ 11,059,731	$ 11,001,091	$ 10,904,620
Total Standard Governmental Obligations - Matching Fund	$ 14,475,117	$ 30,841,650	$ 15,472,349	$ 16,213,696	$ 20,783,326
Total Standard Governmental Obligations, General Fund, Matching Fund and 1976-1977 Emergency Loan Fund	$143,448,713	$159,522,285	$137,600,040	$131,177,583	$121,878,420

Note: Act No. 3849 established the "1976-77 Emergency Loan Fund" as a temporary fund to defray the expenses of the Executive Offices of the Governor. Such expenses were previously recorded in the General Fund.

Government of the Virgin Islands
General Fund, Matching Fund and 1976-1977 Emergency Loan Fund (Note)
COMPARATIVE STATEMENT OF OBLIGATIONS
Fiscal Years 1973 to 1977

	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
Standard Governmental Obligations					
General Fund and 1976-1977 Emergency Loan Fund					
Legislative	$ 2,286,263	$ 2,145,386	$ 1,690,041	$ 1,532,622	$ 1,691,071
Judicial (Territorial Court)	1,517,115	1,259,403	1,149,921	1,037,525	886,581
Total Legislative & Judicial	$ 3,803,378	$ 3,404,789	$ 2,839,962	$ 2,570,147	$ 2,577,652
Executive:					
Administrative Departments and Agencies	$ 21,850,458	$ 18,629,324	$ 21,661,047	$ 20,983,834	$ 20,461,352
Service Departments:					
Public Works	17,160,153	18,572,125	16,359,691	13,054,781	12,158,760
Health	17,372,780	19,011,280	19,158,014	17,603,080	16,367,721
Education	31,691,822	29,927,793	28,784,605	27,048,552	23,014,161
Social Welfare	6,131,880	6,153,102	6,926,990	6,217,701	5,515,570
Public Safety	11,102,277	11,226,107	11,333,936	10,420,485	7,625,906
Commerce	4,125,390	3,950,859	3,922,055	3,178,449	3,193,752
Housing and Community Renewal	910,091	805,752	953,961	576,451	786,859
Agriculture and Recreation	1,326,470	1,307,285	1,459,320	1,379,360	1,418,903
Labor	577,156	587,500	592,351	612,399	544,480
Conservation and Cultural Affairs	2,693,556	2,394,969	2,855,394	2,848,128	2,552,778
Total Executive	$114,942,033	$112,566,096	$114,007,364	$103,923,220	$ 93,640,242
Other Governmental Obligations	$ 10,228,185	$ 12,709,750	$ 5,280,365	$ 8,470,520	$ 4,877,200
Total Standard Governmental Obligations - General Fund and 1976-1977 Emergency Loan Fund	$128,973,596	$128,680,635	$122,127,691	$114,963,887	$101,095,094

Government of the Virgin Islands

COMPARATIVE STATEMENT OF FEDERAL GRANTS-IN-AID AND OTHER CONTRIBUTIONS RECEIVED

Fiscal Years 1973 - 1977

Local Agencies/Funds	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
Office of the Governor:					
Economic Development Planning Grant	$ 85,000	-	-	-	-
State Economic Opportunity Office	64,395	$ 106,557	$ 114,425	$ 1,088,581	$ 96,572
Defense Civil Protection Agency	45,041	89,252	29,879	47,118	44,264
Division of Personnel	66,000	70,000	13,672	40,000	67,310
Community Renewal & Development	1,637,515	385,693	215,785	329,886	217,033
Emergency Employment/Comprehensive Employment & Training Act	4,739,746	2,818,500	2,865,544	455,678	431,372
Area Manpower Planning System Secretariat	-	-	9,987	26,484	41,100
Youth Services Agency	-	-	-	5,447	
V.I. Youth Commission	-	44,553	-	-	-
Office of Community Services	1,070,467	1,191,877	826,396	1,452,805	599,010
V.I. Community Action Agency	953,618	858,605	672,871	553,332	1,378,505
V.I. Public Television System (Note 1)	-	-	-	-	168,750
Office of Highway Safety	590,000	290,531	117,658	25,000	-
V.I. Planning Office	411,096	89,627	53,500	16,618	-
V.I. Energy Office	82,165	-	17,573	-	-
V.I. National Guard	88,322	-	-	-	-
V.I. Law Enforcement Commission (Note 2)	540,000	405,000	280,000	1,172,000	453,894
Office of the Lieutenant Governor:					
American Revolution Bicentennial	218,627	84,100	62,500	30,000	30,000
Department of Health	4,852,176	2,554,342	2,928,396	5,954,972	6,657,602
Department of Education	4,865,696	5,897,997	3,956,466	3,172,729	3,044,774
Department of Social Welfare	3,699,443	3,043,565	2,357,266	1,911,054	1,163,753
Department of Conservation & Cultural Affairs:					
Library Services & Construction	92,494	61,468	-	93,372	87,271
V.I. Council on the Arts	228,341	221,500	227,000	167,667	152,170
Boating Safety Program	11,458	42,893	-	-	-
Outdoor Recreation Program	524,868	43,528	112,756	196,500	-
Fisheries & Wildlife Projects	186,307	200,298	236,677	94,256	-
Youth Conservation Corps Program	35,000	117,500	25,000	-	-
Air & Water Pollution Control & Sewerage Construction (Note 3)	2,643,083	3,459,555	868,390	-	-
Department of Public Safety	70,794	15,000	-	-	-
Department of Public Works:	-	-	-	-	478,308
Solid Waste Planning	5,000	-	7,500	70,630	30,225

Government of the Virgin Islands
All Funds (Note 1)
COMPARATIVE STATEMENT OF CAPITAL EXPENDITURES (NOTE 2)
Fiscal Years 1973 to 1977

Description	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
Hospitals and Clinics	$ 650,655	$ 10,200	$ 76,933	$ 582,439	$ 2,456,246
Schools	4,472,368	2,045,898	3,935,867	395,752	3,382,353
Emergency Housing and Slum Clearances	61,450	27,945	139,651	226,976	337,168
Harbor and Piers	-	4,669	4,300	-	5,700
Soil and Water Conservation	-	2,265	79,305	205,794	616,919
Roads, Streets and Highways	2,918,559	1,993,232	5,892,224	5,144,417	3,331,817
Potable Water, Salt Water and Sewerage Facilities	2,632,104	5,908,910	2,278,966	3,037,965	5,377,171
Parks, Beaches and Other Recreational Areas	1,800,207	732,283	614,969	951,836	53,623
Heavy Equipment	288,546	537,750	98,822	184,797	746,368
V.I. Public Television System	-	-	59,194	6,700	384,877
Construction & Renovation of Government Buildings	634,790	1,392,351	660,117	1,748,375	3,377,377
Consulting, Engineering and Contingencies	-	-	68,699	-	32,379
Acquisition of Land and Buildings for the V. I. Government	2,383,892	1,583,061	2,795,922	1,503,148	1,592,250
Libraries	19,116	100,000	54,183	145,257	733,092
Total	$15,861,687	$14,338,564	$16,759,152	$14,133,456	$22,427,340
Source of Expenditures:					
General Fund	$ 108,609	$ 195,705	$ 232,555	$ 161,398	$ 660,593
Matching Fund	2,259,889	2,576,220	4,020,737	6,142,221	10,810,943
Special and Other Funds	13,493,189	11,566,639	12,505,860	7,829,837	10,955,804
Total Expenditures	$15,861,687	$14,338,564	$16,759,152	$14,133,456	$22,427,340

Note 1: Certain Enterprise, Revolving, Agency, Trust and Deposit Funds are excluded.

Note 2: These capital expenditures are exclusive of office furniture and equipment, automobiles and other items used in the day-to-day operation of the Government.

Government of the Virgin Islands
All Funds (Note)
COMPARATIVE STATEMENT OF STANDARD GOVERNMENT REVENUES AND LOANS
Fiscal Years 1970 - 1977

Description	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973	FY-1972	FY-1971	FY-1970
Revenues (Net):								
Real Property Taxes	$ 7,479,564	$ 4,765,047	$ 6,185,791	$ 4,387,253	$ 4,644,022	$ 4,335,109	$ 3,324,747	$ 2,602,706
Income Taxes	58,766,069	51,329,036	62,399,655	63,281,368	53,776,419	56,629,102	47,671,242	43,461,668
Inheritance/Gift Taxes	354,174	772,862	408,160	372,693	276,129	291,709	203,665	85,650
Stamp Taxes	434,589	404,984	463,531	683,463	492,010	427,613	481,286	853,989
Trade & Excise Taxes	4,931,956	4,479,500	4,412,928	3,997,691	4,184,883	4,291,997	4,084,815	4,021,315
Corporate Franchise Taxes	141,507	108,397	93,895	83,029	94,265	100,912	74,326	57,278
Gross Receipts Taxes	12,747,812	13,029,811	11,458,269	10,272,910	9,572,751	8,364,777	7,326,109	7,130,266
Taxes Held in Escrow	8,767,199	16,019,808	17,461,418	62,497,755	12,805,527	19,811,966	28,143,308	14,199,469
Gasoline Taxes	1,703,949	1,653,259	1,883,650	1,804,459	1,159,339	1,129,879	986,976	828,896
Highway User Taxes	875,097	875,852	994,244	1,109,840	943,074	872,480	-	-
Production Taxes	2,782	2,556	4,170	251,325	16,129	60,600	31,937	51,321
U.S. Custom Duties	162,706,446	129,978,550	130,396,959	55,789,197	26,997,790	26,461,898	13,381,264	10,438,527
Oil Import Fees	-	3,299,674	-	-	-	-	-	-
Licenses, Fees & Permits	2,406,297	2,402,471	2,412,270	2,320,989	1,641,567	1,588,180	1,366,021	1,452,787
Fines, Forfeits & Penalties	190,518	229,454	244,083	170,583	150,706	148,058	153,704	171,962
Court, Costs, Fees & Charges	181,486	50,206	52,600	54,188	36,562	24,500	26,134	23,418
Hospital Service Charges	5,200,732	2,584,307	3,468,084	3,410,548	2,537,063	1,446,881	2,015,729	1,355,407
Sewerage Service Charges	17,105	23,439	23,945	35,592	24,334	29,095	21,882	27,008
Water Supply Service Charge	1,893,455	1,790,649	1,469,149	1,468,803	1,076,211	1,008,483	985,624	806,525
Revenue from use of Money and Property	6,482,669	7,403,663	8,355,129	6,553,832	4,029,830	3,952,505	3,703,696	2,069,303
Sale of Property & Equipment	31,965	14,438	11,984	14,082	36,838	397,493	20,857	136,309
Internal Revenue Returns	18,597,381	32,732,853	16,603,608	16,585,211	22,408,916	19,415,523	13,208,853	14,111,028
Federal Grants-in-Aid	32,865,811	26,335,387	19,754,995	20,443,668	17,294,200	12,638,584	7,930,266	4,964,013
Proceeds from Royalties	2,745,000	2,737,500	2,737,500	4,237,500	2,745,000	2,737,500	2,737,500	2,737,500
Other Revenues	1,117,516	1,081,931	2,246,499	2,021,228	935,152	832,177	970,577	1,922,421
Special Federal Grant	8,500,000	-	-	-	-	-	-	-
Total Standard Government Revenues	$339,141,079	$304,105,634	$293,542,516	$261,847,207	$167,878,717	$166,997,021	$138,850,518	$113,508,766

Government of the Virgin Islands
COMPARATIVE STATEMENT OF FEDERAL GRANTS-IN-AID AND OTHER CONTRIBUTIONS RECEIVED
Fiscal Years 1973 - 1977

Local Agencies/Funds	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973
Department of Public Works (Cont'd):					
Major Disaster Assistance	$ 46,376	$ 762,186	$ 1,015,577	$ 502,594	$ 750,000
Construction of Roads & Highways	2,267,533	521,389	604,791	1,775,004	-
Department of Commerce	6,535	-	-	41,000	33,750
Department of Labor	163,515	267,233	125,449	133,174	34,327
Department of Agriculture:					
V.I. Agriculture Census	-	12,000	-	-	-
Emergency Drought Relief	-	-	199,816	-	-
Marketing Service	-	-	-	13,000	11,000
Forestry Program	12,060	-	11,970	7,597	-
Meat Inspection Program	6,490	8,223	11,470	9,420	10,852
Egg Production Inspection	3,600	2,200	1,800	1,200	1,700
Virgin Islands Employment Service:					
Employment Service Administration	1,213,342	1,142,110	932,354	812,421	925,064
Unemployment Compensation Insurance	1,320,365	1,528,105	599,000	123,000	137,500
Disaster Unemployment Assistance	-	-	56,000	-	-
Manpower Development Training Program	19,343	-	197,527	121,119	248,094
Total	$32,865,811	$26,335,387	$19,754,995	$20,443,668	$17,294,200
Matching Fund - Internal Revenue Returns	18,597,381	32,732,853	16,603,608	16,585,211	22,408,916
Total	$51,463,192	$59,068,240	$36,358,603	$37,028,879	$39,703,116

Note 1: Contributions in Fiscal Years 1974, 1975, 1976 and 1977 were made directly to the System.

Note 2: In Fiscal Year 1976 the Office of the V.I. Law Enforcement Commission was transferred from the Department of Law to the Office of the Governor.

Note 3: Prior to Fiscal Year 1975 the Department of Health administered these programs.

Government of the Virgin Islands
All Funds (Note 1)
COMPARATIVE STATEMENT OF STANDARD GOVERNMENT OPERATING AND CAPITAL EXPENDITURES
Fiscal Years 1970 to 1977

Department or Agency	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973	FY-1972	FY-1971	FY-1970
Virgin Islands Legislature	$ 2,449,192	$ 2,142,717	$ 1,795,257	$ 1,530,355	$ 1,761,994	$ 1,549,353	$ 1,208,594	$ 1,107,362
Electoral Boards	183,453	85,010	159,508	71,980	92,582	95,091	107,287	44,850
Supervisor of Elections	116,051	84,000	108,885	68,512	125,001	65,559	44,445	34,414
Territorial Court of the V.I.	1,490,805	1,216,808	1,170,042	1,103,127	938,453	910,348	519,671	393,773
Executive Offices of the Governor	13,401,019	12,599,260	12,092,236	9,255,488	9,187,544	7,231,630	5,356,335	4,752,311
Office of the Lieutenant Governor	1,176,892	893,355	909,552	1,012,718	747,089	666,764	470,122	371,670
Department of Law	1,577,832	1,536,622	2,025,541	2,123,757	1,800,762	1,733,931	1,011,670	706,928
Department of Finance (Note 2)	167,317,236	155,121,327	142,377,590	114,137,949	67,502,813	42,494,243	27,842,071	19,312,166
Department of Property & Procurement	2,014,347	1,654,601	1,376,232	1,449,753	1,819,173	2,705,868	3,795,922	2,401,204
Department of Health	24,763,528	22,960,312	23,585,294	22,830,435	28,060,171	26,256,726	18,373,318	14,494,228
Department of Education	40,836,693	36,147,457	37,977,016	29,390,723	31,440,256	27,295,802	19,824,136	15,729,131
Department of Social Welfare	8,904,045	9,475,486	9,490,428	7,784,332	7,800,434	6,573,983	5,294,980	4,483,379
Department of Public Safety	10,959,823	11,176,452	11,799,995	10,757,928	9,918,995	6,662,772	5,852,488	4,477,705
Department of Public Works	24,355,519	24,562,537	26,126,318	24,090,685	22,259,383	20,082,926	19,451,406	14,827,942
Department of Housing & Community Renewal	1,315,194	2,019,263	2,061,371	1,579,181	2,636,177	1,416,133	2,778,623	2,513,168
Department of Commerce (Note 3)	3,742,712	3,712,489	4,059,325	3,408,347	3,636,264	3,785,493	2,328,791	1,651,506
Department of Labor	631,372	686,470	839,180	687,752	686,089	735,551	452,217	457,568
Department of Agriculture	1,334,210	1,421,796	1,868,920	2,113,204	1,665,618	1,928,038	1,363,782	1,342,423
V.I. Airport & Industrial Resources Agency	-	-	-	-	-	-	-	436,136
V.I. Employment Security Agency	9,635,463	10,000,667	5,641,917	3,657,180	3,630,153	3,722,336	1,069,257	753,162
V.I. Board of Public Accountancy	4,188	457	626	571	180	488	424	86
College of the Virgin Islands - Local Contributions	3,931,598	3,739,028	3,570,000	3,372,554	3,961,928	3,220,339	3,157,203	2,083,710

Government of the Virgin Islands
All Funds (Note)
COMPARATIVE STATEMENT OF STANDARD GOVERNMENT REVENUES AND LOANS
Fiscal Years 1970 -1977

Description	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973	FY-1972	FY-1971	FY-1970
Loans:								
Proceeds from Loan from Federal Government	$ 5,180,000	$ 5,000,000	-	-	-	-	-	-
Bond Anticipation Notes	-	-	-	$ 125,000	$ 430,000	$ 150,000	-	-
Proceeds from Bonds	22,000,000	-	$ 12,000,000	-	-	6,000,000	$ 6,200,000	-
Total Loans	$ 27,180,000	$ 5,000,000	$ 12,000,000	$ 125,000	$ 430,000	$ 6,150,000	$ 6,200,000	-
Grand Total	$366,321,079	$309,105,634	$305,542,516	$261,972,207	$168,308,717	$173,147,021	$145,050,518	$113,508,766
Fund Source:								
General Fund	$103,113,026	$ 85,643,010	$ 95,874,486	$ 95,048,992	$ 83,319,557	$ 83,853,097	$ 69,769,814	$ 63,864,184
Matching Fund	18,597,381	32,732,853	16,603,608	16,585,211	22,408,916	19,415,523	13,245,849	14,376,156
Essential Projects Fund	-	-	-	-	-	-	-	72
Special & Other Funds	217,430,672	185,729,771	181,064,422	150,213,004	62,150,244	63,728,401	55,834,855	35,268,354
Bond Anticipation Notes	-	-	-	125,000	430,000	150,000	-	-
Proceeds from Bonds	22,000,000	-	12,000,000	-	-	6,000,000	6,200,000	-
Proceeds from Loan from Federal Government	5,180,000	5,000,000	-	-	-	-	-	-
Totals	$366,321,079	$309,105,634	$305,542,516	$261,972,207	$168,308,717	$173,147,021	$145,050,518	$113,508,766

Note: Excluding certain Enterprise and Revolving Funds, and certain Agency, Trust and Deposit Funds.

Government of the Virgin Islands

SCHEDULE OF GENERAL OBLIGATION BOND ISSUES AND DEBT SERVICE REQUIREMENTS TO MATURITY

At June 30, 1977

Year of Issue	Maturity Date	Amount of Issue	Total Amt. Redeemed	Balance Outstanding	Total Interest to Maturity	Interest Paid to Date	Interest Still to be Paid
1965	11/1/85	$ 5,200,000	$ 2,390,000	$ 2,810,000	$ 2,151,765	$ 1,688,945	$ 462,820
1967	12/1/92	6,915,000	1,670,000	5,245,000	5,142,690	2,874,760	2,267,930
1968	12/1/93	7,930,000	1,585,000	6,345,000	6,029,565	3,017,144	3,012,421
1971	2/1/96	6,200,000	785,000	5,415,000	5,036,198	1,867,440	3,168,758
1971	12/1/90	6,000,000	1,250,000	4,750,000	3,391,625	1,547,063	1,844,562
1974	10/1/89	12,000,000	1,600,000	10,400,000	7,615,200	2,256,000	5,359,200
1974 (Note)	7/1/2001	705,000	52,000	653,000	583,450	102,000	481,450
1977	1/2/2007	22,000,000	-	22,000,000	35,337,513	714,457	34,623,056
		$66,950,000	$ 9,332,000	$ 57,618,000	$ 65,288,006	$ 14,067,809	$ 51,220,197

Note: These bonds were sold to the U.S. Department of Agriculture, Farmers Home Administration to aid in the financing of sewer facilities for the low-income projects at Croixville, St. Croix and Thomasville, St. Thomas.

Government of the Virgin Islands
All Funds (Note 1)
COMPARATIVE STATEMENT OF STANDARD GOVERNMENT OPERATING AND CAPITAL EXPENDITURES
Fiscal Years 1970 to 1977

Department or Agency	FY-1977	FY-1976	FY-1975	FY-1974	FY-1973	FY-1972	FY-1971	FY-1970
Department of Conservation and Cultural Affairs	$ 9,488,632	$ 11,294,376	$ 6,810,517	$ 4,205,049	$ 4,035,747	$ 3,277,749	$ 3,312,813	$ 2,368,781
Small Business Development Agency - Local Contributions	200,000	400,000	335,000	-	500,000	-	738,332	13,500
Total	$329,829,804	$312,930,490	$296,180,750	$244,631,580	$204,206,806	$162,411,123	$124,353,887	$ 94,757,103
Source of Expenditures:								
General Fund	$107,095,070	$109,629,583	$109,785,331	$ 95,807,372	$ 93,640,643	$ 80,772,093	$ 67,311,753	$ 59,801,735
Matching Fund	6,204,502	4,410,735	5,627,057	7,822,275	12,584,726	13,400,105	11,472,426	5,300,132
Essential Projects Fund	-	-	-	-	-	-	2,769	9,858
Special and Other Funds	216,530,232	198,890,172	180,768,362	141,001,933	97,981,437	68,238,925	45,566,939	29,645,378
Total	$329,829,804	$312,930,490	$296,180,750	$244,631,580	$204,206,806	$162,411,123	$124,353,887	$ 94,757,103

Note 1: Certain Enterprise and Revolving and certain Agency, Trust and Deposit Funds are excluded.

Note 2: Industrial development subsidy payments are included here. The amount for FY-77 is $153,672,063. Expenditures for the Department of Finance differ from Exhibit "F" because the Contribution to the College of the Virgin Islands is shown separately here.

Note 3: Expenditures shown for the Department of Commerce differ from Exhibit "F" because the contribution to the Small Business Development Agency is shown separately here.

Government of the Virgin Islands
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE AND NON-TAXABLE PROPERTIES (NOTE 1)
Fiscal Years 1969 - 1977

Fiscal Year	Total Real Property Assessed Value	Total Real Property Estimated Actual Value	Non-Taxable Real Property Assessed Value	Non-Taxable Real Property Estimated Actual Value	% of Assessed Non-Taxable Real Property of Total	Taxable Real Property Assessed Value	Taxable Real Property Estimated Actual Value	% of Assessed Taxable Real Property of Total
1969	$ 247,914,452	$ 413,190,753 (Note 2)	-	-	-	$247,914,452	$ 413,190,753	-
1970	269,232,831	448,721,385	-	-	-	269,232,831	448,721,385	-
1971	425,378,675	708,964,458	-	-	-	425,378,675	708,964,458	-
1972	1,567,499,880	2,612,499,800	$1,108,134,920	$1,846,891,533	71%	459,364,960	765,608,267	29%
1973	1,700,826,480	2,834,710,800	1,211,600,160	2,019,333,600	71%	489,226,320	815,377,200	29%
1974	1,747,072,960	2,911,788,266	1,268,227,280	2,113,712,133	73%	478,845,680	798,076,133	27%
1975	1,729,235,130	2,882,058,550	1,255,289,610	2,092,149,350	73%	473,945,520	789,909,200	27%
1976	2,610,095,120	4,350,158,533	1,906,214,240	3,177,023,733	73%	703,880,880	1,173,134,800	27%
1977	2,794,199,040	4,656,998,400	2,101,935,280	3,503,225,464	75%	692,263,760	1,153,772,936	25%

Note 1: Assessed values for taxable and non-taxable properties are taken from the annual reports of the Office of the Lieutenant Governor and represent 60% of estimated actual values in accordance with law.

Note 2: The assessed value of non-taxable real property is not available for Fiscal Years 1969 through 1971.

Government of the Virgin Islands
PROPERTY TAX LEVIES AND COLLECTIONS (NOTE)
Fiscal Years 1969 to 1977

Fiscal Year	Total Tax Levy	Current Tax Collections	Per Cent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Per Cent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Per Cent of Current Levy
1969	$2,998,931	$2,097,086	69.93%	$ 553,039	$2,650,125	88.36%	$ 280,466	9.35%
1970	3,365,410	2,967,512	88.18	393,638	3,361,150	99.87	724,354	21.52
1971	4,633,325	4,133,898	89.22	220,617	4,354,515	93.98	593,755	12.81
1972	5,742,072	4,066,664	70.82	628,286	4,694,950	81.76	593,755	10.34
1973	6,115,329	3,923,190	64.15	504,986	4,428,176	72.41	574,606	9.40
1974	5,985,571	5,482,377	91.59	757,492	6,239,869	104.25	683,372	11.42
1975	5,924,319	3,910,405	66.00	929,771	4,840,176	81.70	731,481	12.35
1976	8,798,511	6,622,032	75.26	863,793	7,485,825	85.08	658,200	7.48
1977	8,653,297	-	-	-	-	-	1,222,786	14.13

Note: The levies were made in the fiscal years previous to the collections. For example, the levy shown for Fiscal Year 1969 was actually collected in Fiscal Year 1970 or later.

Government of the Virgin Islands
Government Insurance Fund
ANALYSIS OF CHANGES IN RETAINED EARNINGS
Fiscal Year Ended June 30, 1977

Balance of Retained Earnings, July 1, 1976		$ 782,512.52
Add:		
Allowance for Uncollectibles, July 1, 1976	$ 53,633.03	
Adjustment to Inventory of Equipment	6,444.81	
Adjustment to Inventory of Materials & Supplies	3,889.16	
Total Additions		63,967.00
Total Balance and Additions		$ 846,479.52
Deduct:		
Net Loss for the Fiscal Year 1977	$ 263,684.93	
Reserve for Acquisition of Fixed Assets (Note)	11,263.50	
Contribution from Federal Government	136,831.00	
Prior Year's Debit Memo	8,600.91	
Increase in Reserve for Estimated Total Disability Payments	1,496,793.24	
Increase in Prior Years' Encumbrances	41,474.18	
Total Deductions		1,958,647.76
Balance of Retained Earnings, June 30, 1977		($1,112,168.24)

Note: This represents outstanding encumbrances for equipment purchases.

Government of the Virgin Islands
Government Insurance Fund
BALANCE SHEET
As of June 30, 1977

ASSETS

Current Assets:		
Cash in Bank and with Cashiers		$1,507,291.69
Insurance Premiums Receivables	$ 438,114.37	
Less: Allowance for Uncollectible Insurance Premiums	43,811.43	394,302.94
Due from Other Funds		71,116.00
Due from the Government of the Virgin Islands		1,346,526.00
Accrued Interest on Investments		558.75
Materials and Supplies		5,874.78
Total Current Assets		$3,325,670.16
Fixed Assets:		
Equipment	$ 48,839.52	
Less: Allowance for Depreciation	20,737.25	28,102.27
Long-Term Investments (Series "K" Bond)		25,000.00
Total Assets		$3,378,772.43

LIABILITIES, RESERVES, CONTRIBUTIONS, & RETAINED EARNINGS

Liabilities:		
Account Payable		$ 2,669.47
Reserves:		
For Outstanding Encumbrances	$ 72,471.60	
For Estimated Total, Permanent Disability Payments	3,964,836.00	4,037,307.60
Contributions:		
From the Federal Government		450,963.60
Retained Earnings		(1,112,168.24)
Total Liabilities, Reserves, Contributions, & Retained Earnings		$3,378,772.43

Government of the Virgin Islands
Government Insurance Fund
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
July 1, 1976 to June 30, 1977

Opening Cash Balance, July 1, 1976		$1,658,785.56
Less: Adjustment to Cash (Prior Year's Debit Memo)		8,600.91
Adjusted Cash Balance, July 1, 1976		$1,650,184.65
Receipts:		
Insurance Premiums	$1,268,464.40	
Collection of Loans	571,650.00	
Interest on Bank Balances & Investments	49,741.49	
Interest on Loans	89,429.17	
Federal Contributions	136,831.00	
Other Receipts	35,211.28	
Total Receipts		2,151,327.34
Total Balance and Receipts		$3,801,511.99
Disbursements:		
Payment of Claims	$1,294,674.50	
Administrative Expenditures	499,545.80	
Loan Advances	500,000.00	
Total Disbursements		2,294,220.30
Cash Balance, June 30, 1977		$1,507,291.69

Government of the Virgin Islands
Government Insurance Fund
COMPARATIVE STATEMENT OF OPERATIONS
Fiscal Years Ended June 30, 1976 & 1977

	FY 1977		FY 1976	
Total Billings to Employers	$1,333,430.14		$1,333,722.85	
Less: Bills Recalled	290,680.62		70,090.04	
Net Billings		$1,042,749.52		$1,263,632.81
Reimbursements from Uninsured Employers		-0-		197,516.68
Total Net Billings and Reimbursements		$1,042,749.52		$1,461,149.49
Less: Operating Costs Before Depreciation and Allowance for Uncollectibles:				
Compensation Payments	$1,233,751.94		$1,182,224.48	
Miscellaneous Disbursements	1,202.44		49,016.52	
Personal Services	295,793.71		354,836.00	
Services Other Than Personal	46,644.11		39,916.27	
F.I.C.A. & Retirement	48,506.31		54,507.37	
Materials, Supplies and Parts	19,659.52		14,878.67	
Utilities	4,627.87		12,190.55	
Advertising and Promotion	89.77		1,750.00	
Office Space Rental	13,918.58		8,341.60	
Transportation	500.00		1,000.00	
Total Operating Costs Before Depreciation and Allowance for Uncollectibles		1,664,694.25		1,718,661.46
Operating Income (Loss) Before Depreciation and Allowance for Uncollectibles		($ 621,944.73)		($ 257,551.97)
Less:				
Depreciation	$ 9,431.12		$ 11,306.13	
Allowance for Uncollectibles	43,811.43		53,633.03	
Total Depreciation and Allowance		53,242.55		64,939.16
Net Operating Income (Loss)		($ 675,187.28)		($ 322,451.13)

Government of the Virgin Islands
Government Insurance Fund
COMPARATIVE STATEMENT OF TOTAL REVENUES AND RECEIPTS
Fiscal Years 1973 to 1977

Description	FY 1977	FY 1976	FY 1975	FY 1974	FY 1973
Insurance Premiums - St. Thomas and St. John	$ 618,330.27	$ 641,243.39	$ 618,618.72	$ 694,873.95	$ 558,969.61
Insurance Premiums - St. Croix	650,134.13	689,422.16	1,227,453.72	524,531.76	570,776.49
Total Insurance Premiums	$1,268,464.40	$1,330,665.55	$1,846,072.44	$1,219,405.71	$1,129,746.10
Interest Earned on Government Assets	139,170.66	160,993.53	111,312.43	210,831.79	98,858.40
Miscellaneous (Note)	23,489.28	292,952.75	190,818.79	39,728.74	43,853.00
Collection of Loans	571,650.00	136,000.00	36,000.00	584,123.97	543,976.73
Federal Contributions	136,831.00	130,522.50	104,590.00	79,020.10	—
Employees Increment Fund Contributions	11,722.00	—	—	—	—
Totals	$2,151,327.34	$2,051,134.33	$2,288,793.66	$2,133,110.31	$1,816,434.23

Note: The Fiscal Year 1976 figure includes reimbursements from uninsured employers in the amount of $197.516.68.

Government of the Virgin Islands
Government Insurance Fund
COMPARATIVE STATEMENT OF OPERATIONS
Fiscal Years Ended June 30, 1976 - 1977

	FY 1977		FY 1976	
Add: Non-operating Income:				
Interest Earned on Investments & Savings	$ 49,741.49		$ 65,250.53	
Interest Earned on Loans	85,708.90		85,890.55	
Federal Contributions	136,831.00		130,522.50	
Penalties & Other Miscellaneous Income	11,722.00		56,535.76	
Total Non-operating Income		284,003.39		$ 338,199.34
Net Income (Loss)		($ 391,183.89)		$ 15,748.21
Adjustments to Accounts Receivable		127,498.96		2,213.14
Net Income (Loss) after Adjustments		($ 263,684.93)		$ 17,961.35

Government of the Virgin Islands
Government Insurance Fund
STATEMENT OF ADMINISTRATIVE EXPENSES (Note 1)
Fiscal Year 1977 Appropriations
Fiscal Year Ended June 30, 1977

Object Classification	Amount
OFFICE OF THE CUSTODIAN	
Personal Services	$ 64,477.01
FICA & Retirement	10,152.65
All Other Operating Expenses	9,941.57
Utilities	2,523.25
Rental of Office Space	6,000.00
Equipment	658.00
Contribution to Health Insurance Fund	739.00
Total	$ 94,491.48
COMPENSATION OFFICE	
Personal Services	$116,628.70
FICA & Retirement	19,723.84
All Other Operating Expenses	20,499.39
Advertising and Promotion	89.77
Rental of Office Space	6,000.00
Equipment	5,900.00
Transportation	500.00
Contribution to Health Insurance Fund	1,668.00
Occupational Safety and Health Services - Local (Note 2)	111,000.72
Occupational Safety and Health Services - Federal (Note 2)	65,897.57
Total	$347,907.99
Grand Total	$442,399.47

Note (1) Expenses include expenditures plus outstanding encumbrances.

Note (2) Expenses for the office of Occupational Safety and Health are: Personal Services, $114,688.00; FICA & Retirement, $18,629.82; All Other Operating Expenses, $33,455.67; Utilities, $2,104.62; Equipment, $6,101.60 and Rental of Office Space, $1,918.58.

Government of the Virgin Islands
Government Insurance Fund
COMPARATIVE STATEMENT OF EXPENDITURES
Fiscal Years 1973 to 1977

Description	FY 1977	FY 1976	FY 1975	FY 1974	FY 1973
Compensation Payments:					
Injury	$ 776,200.77	$ 753,571.51	$ 775,555.04	$ 660,142.01	$ 601,471.51
Death Benefits	31,108.33	54,760.00	50,983.34	25,106.66	38,485.00
Medical and Hospital Services	244,296.05	149,542.23	154,847.54	208,126.03	204,465.38
Professional Services	142,047.37	145,348.15	178,724.70	135,244.83	126,572.23
Transportation	17,194.54	16,097.31	20,989.43	21,514.52	16,700.78
Reimbursements to Employers	21,404.88	60,191.18	129,902.01	84,294.27	30,612.58
Funeral Expenses	1,500.00	2,714.10	2,000.00	1,000.00	2,470.00
Total Compensation Payments	$1,233,751.94	$1,182,224.48	$1,313,002.06	$1,135,428.32	$1,020,777.48
Administrative Expenditures	499,545.80	489,760.93	473,267.02	389,054.61	263,697.15
Loan Advances	500,000.00	—	125,000.00	875,000.00	—
Other Payments	60,922.56	70,126.78	43,725.45	23,369.11	41,209.92
Total Expenditures	$2,294,220.30	$1,742,112.19	$1,954,994.53	$2,422,852.04	$1,325,684.55

Government of the Virgin Islands
Government Insurance Fund
COMPARATIVE STATEMENT OF TRANSACTIONS PROCESSED
Fiscal Years 1973 to 1977

Description	FY 1977	FY 1976	FY 1975	FY 1974	FY 1973
St. Thomas:					
Number of Employers' Reports Filed	664	1,006	1,244	1,295	922
Number of Claims Awarded	3,844	2,810	2,239	2,863	2,922
Number of Bills Rendered	753	1,019	884	986	1,126
St. Croix:					
Number of Employers' Reports Filed	1,467	1,653	1,086	1,129	1,269
Number of Claims Awarded	1,928	2,047	2,571	2,052	1,199
Number of Bills Rendered	1,005	950	802	868	1,134
Totals	9,661	9,485	8,826	9,193	8,572

Government of the Virgin Islands
Government Insurance Fund
STATUS OF APPROPRIATIONS
Fiscal Year Ended June 30, 1977

Activity	Appropriations	Allotments	Expenses	Unencumbered Balances
Office of the Custodian	$132,929.00	$111,081.00	$ 94,491.48	$ 16,589.52
Compensation Office	361,183.00	359,665.00	282,010.42	77,654.58
Total	$494,112.00	$470,746.00	$376,501.90	$ 94,244.10
Contribution From Federal Government	136,831.00	136,831.00	65,897.57	70,933.43
Grand Total	$630,943.00	$607,577.00	$442,399.47	$165,177.53

DEPARTMENT OF HEALTH

Personnel: 1,462 Operating Appropriation: $24,157,235

Efforts to revitalize the health planning operation of the Department of Health since passage several years ago of the National Health Planning and Resources Development Act were accelerated with the appointment of a director. His first task was the preparation of an application for Federal funds, which was granted, and the office was conditionally designated as a combined Health System Agency/State Health Planning and Development Agency. With this new designation the function became known as the Bureau of Health Planning and Resources Development. Since funding was received late in the year, little was accomplished except in preparations for staffing and establishing coordination agreements with various agencies.

Another new development was the establishment of the Division of Program Analysis upon the recommendation of outside counsel. A director was also hired. This component brings within the Commissioner's office added capabilities and support to long range planning and objective assessment of programs.

The Division of Management, which embraces all aspects of the Department's operations, completed the "provider-based physicians report", which resulted in the recapture of reimbursable costs from

Medicare for fiscal years 1972 through 1976. A new hospital tape system and bill processing method were implemented which helped in the recovery of nearly $2 million in medical assistance program funds.

There was also a concerted effort to bring all hospital billing up to date. At the close of the year, the St. Croix hospital was billing patients within five working days of services provided, while the St. Thomas facility was billing within 10 days. The manual collection and distribution of billing slips, however, remain obstacles to development of an efficient system.

A Federal vital statistic system was incorporated to provide the Bureau of Vital Statistics with all necessary two-and three-dimensional tables for marriages, births, deaths and divorces.

Reorganization of the various components of the mental health operation began with the appointment of a director. Shortly afterwards the mental health unit was designated a separate component and the alcoholism and drug dependency services were combined into one substance abuse unit. These now comprise the unified Division of Mental Health Services.

Of the 30 vacant positions in the Division, 18 were filled by the end of the year, which helped significantly in the upgrading and expansion of services. Among the positions filled were those of mental health coordinator, drug abuse coordinator and social worker liason for the aged. Also added was a new chief psychiatrist in charge of inpatient service.

The Community Health Division, which operates all public health programs, established a "homemaker for the infirm' program in St. Thomas, which helped to reduce the disproportionately high bed occupancy of chronically ill hospital patients. Fifteen persons were trained and then assigned to provide custodial care for these persons in their homes. The program will be duplicated in St. Croix.

The division greatly expanded its cancer detection program by establishing additional clinics and screening for cancer of the bowels as well as breast and uterine. The East End Health Center on St. Thomas, formally a small hotel, was renovated and began to deliver integrated primary care services to entire families.

In-service training in food and sanitation for inspectors was stressed during the year by the Division of Environmental Health. A three-day workshop was conducted with the assistance of the Food and Drug Administration on food service and vending sanitation. A similar program was conducted on milk sanitation. Among the many food inspections conducted were 1,143 of bars, 359 of groceries and schools, and 484 of milk samples.

The Division of Maternal and Child Health and Crippled Children, in its work to ensure that all children are wanted and born of healthy mothers, established priorities that included extending prenatal, postnatal and family planning services through health facilities located in concentrations of low income families. A high risk maternity clinic was also established in St. Thomas.

Popular clinics on both islands were those operated for teenagers. They serve as a source of information and services for conditions related to their growth period. The fact that both male and female doctors were available at these facilities contributed to the continuing success of the program.

The release of funds for capital improvement permitted the administration to begin the overdue physical upgrading of the two hospitals. These improvements will bring the facilities into compliance with fire and safety codes and provide more acceptable working conditions.

The position of medical director of hospitals and director of hospital services of the Knud-Hansen Memorial Hospital on St. Thomas was divided and a new position of Territorial Director of Hospitals and Medical Services was established within the Commissioner's Office. This change will provide new impetus to the planning, organization and administration of the Territory's hospitals.

Overall, the emphasis on upgrading was placed on improved patient care. Each of the hospital's departments planned a variety of programs to meet this broad goal.

Educational programs carried out by the Bureau of Health Education covered such areas as swine flu, child abuse and parental skills, dental health, problems of the handicapped, hypertension, school health and cancer.

The objective of the Bureau of Nutritional Service of providing nutrition consultation and support to community health programs was met through advisory conferences, meetings or programs with other agencies and families.

Dietary counseling was provided on an individual basis upon referrals from clinics and private physicians. Pregnant women, mothers and guardians of infants and young children and overweight persons were given priority. Such service was provided on an individual basis to 3,980 persons.

SUMMARY OF VITAL STATISTICS
VIRGIN ISLANDS AND EACH ISLAND
1977

	VIRGIN ISLANDS		ST. CROIX		ST. JOHN		ST. THOMAS	
	Number	Rate	Number	Rate	Number	Rate	Number	Rat
Live Births	2552	25.9	1371	27.5	29	12.8	1152	24.
Deaths	420	4.3	195	3.9	5	2.2	220	4.
Infant Deaths	68	26.6	36	26.3	0	0	31	26.
Neonatal Deaths	48	18.8	25	18.2	0	0	23	20.
Maternal Deaths	1	0.4	0	0	0	0	1	0.
Fetal Deaths	46	18.0	32	23.3	0	0	14	12.
Marriages	875	8.9	426	8.5	0	0	449	9.
Divorces	453	4.6	236	4.7	0	0	217	4.
Population	98390	-	49880	-	2260	-	46250	

Note: Live birth, death, marriage and divorce rates per 1,000 population.
Infant and neonatal death rates per 1,000 live births.
Fetal and maternal death rates per 1,000 births.

TEN LEADING CAUSES OF DEATH

1977

RANK	CAUSE	NUMBER	RATE *
1	Circulatory Disease	169	172.8
2	Cancer	58	59.0
3	Perinatal Conditions	44	45.8
4	Accidents	26	26.4
5	Cirrhosis of the liver	19	19.3
6	Diabetes Mellitus	14	15.3
7	Respiratory Disease	12	12.1
	Other Diseases of the Digestive System	12	12.1
8	Homicide	11	11.1
9	Congenital anomalies	10	10.1
10	Genitourinary system disease	8	8.1

*Rate per 100,000 population.

TABLE I

Individuals Recertified Under the Medical Assistance Program During Fiscal Years 1973-1977 by Categories

Category	Fiscal Year				
	1973	1974	1975	1976	1977
Categorically Needy	1,195	3,546	3,608	5,350	5,857
Medically Needy	9,195	11,363	16,087	16,948	15,811
Non-Matching	2,040	3,531	5,695	6,473	6,773
Grand Total	12,430	18,440	25,390	28,771	28,441

TABLE II

Individuals Certified Under the Medical Assistance Program During Fiscal Years 1973-1977 by Categories

Category	Fiscal Year				
	1973	1974	1975	1976	1977
Categorically Needy	790	649	452	584	684
Medically Needy	7,544	3,984	2,900	2,514	3,387
Non-Matching	4,135	2,039	1,100	2,096	1,550
Grand Total	12,469	6,672	4,452	5,194	5,621

TABLE III

Total Persons Enrolled in the Medical Assistance Program at the End of Fiscal Year 1977

Category	Number
Categorically Needy	6,541
Medically Needy	19,198
Non-Matching (Non-Federal Participation)	8,323
Total	34,062

During this Fiscal Year, the total medicaid eligible increased by only 97 recipients over Fiscal Year 1976, but an increase of 4,220 over Fiscal Year 1975, where the program felt the impact of the unemployment problem of the Virgin Islands.

TABLE IV

Number of Recipients and Amount of Medical Vendor Payments by Services

A total of 20,867 estimated recipients (unduplicated count) received Medical services and care during fiscal year 1977. The breakdown follows:

Public Assistance	2,922	or	14%
Medically Needy	13,803	or	66%
Non-Matching	4,142	or	20%

The total expenditures for services provided to Medical Assistance recipients during fiscal year 1977 amount to 2,413.307. The breakdown of the data follows:

Inpatient Services	807,555	or	33.46%
Outpatient Services	948,305	or	39.30%
Prescribed Drugs	332,013	or	13.76%
Physician Services	66,602	or	2.76%
Other Services (such as appliances and optometry)	164,615	or	6.82%
EPSDT Services	68,480	or	2.84%
Radiology and Laboratory	259	or	0.01%
Dental Services	14,584	or	0.60%
Home Health	10,894	or	0.45%

The estimated breakdown of Federal and Local participation follows:

Total Money Value		$2,413,307
Federal Participation	908,162	
State Participation for Matching Categories	908,162	
State Participation for Non-Matching Categories	596,983	

At the end of fiscal year 1977, over 61% of all eligibles under the program requested and received medical care and services.

DEPARTMENT OF HOUSING AND COMMUNITY RENEWAL

Personnel: 96 Operating Appropriation: $5,611,537

The sale of a number of single dwelling units and the deposit of the proceeds in the emergency housing account put the Department of Housing and Community Renewal in a position to improve and maintain its rental units in a satisfactory condition.

A program of repainting all housing began and the condition of lawns and grounds improved markedly with the addition of groundskeepers made available through a CETA funding program.

Rental collections began to show improvements and the increase in the number of delinquent cases brought before the courts by the Department of Law indicated a stepped up effort to collect Government accounts.

The Emergency Housing Program managed 283 units on St. Thomas, 264 of which were occupied at the end of the year. Occupancy turnover permitted the department to house fifteen qualified families in various projects.

There were 308 units on St. Croix but only 223 occupied. The 124-unit Paradise Mill Estate, built as a condominium, continued to be a problem. Only seven units have been sold and fifty were rented at the end of the year. The remainder have been empty for several years. The department submitted a pre-application to the Farmers Home Administration for a $3 million loan to pay off the note and mortgage on this development. If the loan is granted, the units will be refurbished and rented to qualified applicants.

Suggested changes in the Housing Assistance Plan were sent to the Caribbean area office of Housing and Urban Development and to the Virgin Islands Planning Office and, if approved, would include 100 new units at Estate Nazareth on St. Thomas under provisions of Section 8. The department was notified that it could expect $350,000 Section 8 funds in 1978.

Various tracts of idle Government land were put into the homesteading program. At Estate Bordeaux, on the western end of St. Thomas, a plan to develop eighty acres was initiated. Preliminary plans were submitted to the Virgin Islands Planning Office for approval to sub-divide the land into twenty quarter acre lots in each of eight clusters.

On St Croix plans were made to sub-divide Estates Work and Rest, Plessen and Mt. Pleasant and Government land at Estate Concordia.

During the year twenty-six homesteaders completed payment on land and were issued deeds. Six leases were executed and four contracts were signed. Fourteen new applications were filed, bringing the total number at the end of the year to 732.

The home loan program was seriously affected by the transfer of monies from the Homestead and Home Loan Fund to the General Fund. Several loans which were being processed were stopped and pending applications could not be acted upon. During the year ten applications for loans were received, two were processed, two mortgages were satisfied and two were subordinated. There were fifteen applications pending at the close of the year and ninety-six outstanding accounts with balances that totalled $654,313.

Moderate income housing operations centered around the Sion Farm development on St. Croix. The Development comprised 316 homes when built several years ago and all were sold. However, a large number of mortgages are in default and many are pending foreclosure action. The Sion Farm properties that have been abandoned are being extensively vandalized.

No new tenants were housed at Warren E. Brown III apartments during the year and the departure of one family left only eight of the sixty-four units occupied. Toward the close of the year the Legislature passed a measure that authorized the sale of this section to the Virgin Islands Housing Authority for $1,796,456, which was paid to the Government National Mortgage Association to retire the indebtedness. At the same time plans were also drawn to sell Warren E. Brown II, an eighty-unit apartment that was more than ninety per cent rented.

The rent control agency was involved in seventy-two cases, fifty-five of which were for non-payment of rent.

The Virgin Islands Urban Renewal Board administered four conventional urban renewal projects, two low to moderate income apartments on St. Croix and two Community Development Block Grant Projects on St. Thomas.

The disposition plan for the Taarneberg-Ross Estate on St. Thomas included the selling of all available land to the Virgin Islands Housing Authority for the construction of fifty single family units to low income groups. However, an additional three acres had to be provided for a planned public highway. Most acquisition has been completed and documents are being prepared to accomplish the transfer of properties for sale.

Site improvement plans for the Water Gut renewal on St. Croix have been turned over to the Department of Public Works for review. Upon approval, bids will be invited for construction of the improvements, which include drainage and a storm sewer system throughout the area.

The Hill Street renewal is located in Frederiksted, St. Croix, which was designated a historic area during the year. All activities regarding acquisition, demolition or rehabilitation must now be coordinated with the planning director, who also is the state historic preservation officer. Initial steps of a comprehensive evaluation of all of the project area was undertaken to identify properties of historical significance so measures can be taken to have them preserved.

The two rental operations, Water Gut homes with 114 two-and three-bedroom units plus 6000 feet of commercial space, and the Lagoon Street homes of twenty-four two-and thirty-six three-bedroom units and 10,173 square feet of commercial space, both operated at substantial losses due to vacancies.

The Savan and Demarara projects on St. Thomas are being funded by the Community Development Block Grant Program. Savan involves considerable demolition of deteriorated property and extensive rehabilitation of retained structures. The area will provide for much needed recreation space, a community center and expansion of an elementary school. Demara includes sub-divisions for standard housing which will be sold on a first priority basis to residents of the area.

VIRGIN ISLANDS URBAN RENEWAL BOARD
FEDERAL PROJECT FUNDS
COMBINED STATEMENT OF ACCUMULATED PROJECT COST
FOR YEAR ENDED JUNE 30, 1977

ITEM	TOTALS	WATER GUT	TAARNEBERG ROSS	HILL STREET	SAVAN AND DEMARARA
Survey and Planning Expenditures	$ 234,969	$ 87,117	$ 89,194	$ 58,658	$ -
Project Execution Expenditures					
Administration	2,297,656	913,949	991,120	392,143	444
Legal Service	39,985	14,707	20,642	4,636	-
Survey and Planning	56,619	30,894	-	-	25,725
Real Estate Acquisition Expenses	48,790	20,210	18,798	9,782	-
Operation of Acquired Property	16,411	21,011	(-) 5,353	753	-
Project Improvements	23,362	23,362	-	-	-
Disposal, Lease, Retention Cost	23,642	15,162	8,480	-	-
Interest	1,829,411	1,355,752	473,659	-	-
Other Income	(-) 758,312	(-)569,224	(-) 131,875	(-) 57,213	-
Real Estate Purchases	2,608,251	1,408,847	1,148,165	51,239	-
Project Inspection	129,185	64,851	64,334	-	-
TOTALS	6,549,969	3,386,638	2,677,164	459,998	26,169
Less: Value of Land Sold	158,443	158,443	-	-	-
TOTAL NET PROJECT COST	$6,391,526	$3,228,195	$2,677,164	$ 459,998	$ 26,169

VIRGIN ISLANDS URBAN RENEWAL BOARD
FEDERAL PROJECT ACCOUNTS
COMBINED BALANCE SHEET
FOR YEAR ENDED JUNE 30, 1977

ASSETS	TOTALS	BARRACKS YARD	WATER GUT	TAARNEBERG ROSS	HILL STREET	LAGOON STREET	SAVAN & DEMARARA
Cash-Operating	$ 748,107	$ 87,269	$ 240,405	$ 197,640	$ 188,678	$ 33,615	$ 500
Cash Advance for Joint Cost	55,000	-	15,000	20,000	20,000	-	-
Investments Held - CD's	1,230,000	-	830,000	150,000	250,000	-	-
Project Cost - Net	6,641,336	160,812	3,287,801	2,732,725	459,998	-	-
Accounts Receivable - Tenants	5,191	-	1,523	3,668	-	-	-
Accounts Receivable - Other	2,500	-	-	2,500	-	-	-
Relocation Payments	845,850	-	43,824	802,026	-	-	-
TOTAL ASSETS	$9,527,984	$ 248,081	$4,418,553	$3,908,559	$ 918,676	$ 33,615	$ 500
LIABILITIES, CAPITAL AND FUND BALANCE							
LIABILITIES							
Accounts Payable - Joint Activities	$ 40,735	$ -	$ 12,578	$ 15,838	$ 12,319	$ -	$ -
Accounts Payable - Other	1,177	-	183	537	457	-	-
Interest Payable	24,680	-	13,766	10,914	-	-	-
Notes Payable	3,989,812	160,812	2,432,000	1,397,000	-	-	-
TOTAL LIABILITIES	4,056,404	160,812	2,458,527	1,424,289	12,776	-	-
CAPITAL AND FUND BALANCE							
Local - Cash Grants in Aid	2,134,993	-	686,322	542,771	905,900	-	-
Local - Non Cash Grants in Aid	115,167	-	59,606	55,561	-	-	-
Federal Capital Grants	2,254,186	-	1,170,274	1,083,912	-	-	-
Federal Relocation Grants	845,850	-	43,824	802,026	-	-	-
Fund Balance	121,384	87,269	-	-	-	33,615	500
Total Capital and Fund Balance	5,471,580	87,269	1,960,026	2,484,270	905,900	33,615	500
TOTAL LIABILITIES, CAPITAL AND FUND BALANCE	$9,527,984	$ 248,081	$4,418,553	$3,908,559	$ 918,676	$ 33,615	$ 500

VIRGIN ISLANDS URBAN RENEWAL BOARD
FEDERAL PROJECT ACCOUNTS
RECEIPTS AND DISBURSEMENTS
JULY 1, 1976 to JULY 30, 1977

	TOTALS	BARRACKS YARD	WATER GUT	TAARNEBERG ROSS	HILL STREET	LAGOON STREET	SAVAN & DEMARARA
Balance July 1, 1976	$2,092,544	$ 81,688	$ 863,969	$ 535,310	$ 578,472	$ 32,605	$ 500
Receipts							
Sale of Project Notes	376,000	-	316,000	60,000	-	-	-
Federal Relocation Grant	15,259	-	-	15,259	-	-	-
Federal Capital Grant	132,722	-	-	118,818	-		13,904
Rental Collection	3,347	2,750	-	597	-	-	-
Interest on Investments	83,761	2,831	39,304	19,843	20,773	1,010	-
Other	638	-	12	169	457	-	-
Total Receipts	611,727	5,581	355,316	214,686	21,230	1,010	13,904
TOTAL CASH AVAILABLE	2,704,271	87,269	1,219,285	749,996	599,702	33,615	14,404
Disbursements							
Administrative Costs	258,706	-	58,180	111,581	88,501	-	444
Legal Services	3,624	-	-	3,150	474	-	-
Real Estate Acquisition Expenses	2,724	-	-	1,914	810	-	-
Disposal, Lease, Retention Costs	8,480	-	-	8,480	-	-	-
Operation of Acquired Property	5,775	-	4,994	781	-	-	-
Survey and Planning	13,460	-	-	-	-	-	13,460
Interest	119,204	-	70,706	48,498	-	-	-
Real Estate Purchases	104,368	-	-	53,130	51,238	-	-
Project Improvements	-	-	-	-	-	-	-
Relocation Payments	17,759	-	-	17,759	-	-	-
Payment on Project Notes	137,000	-	137,000	137,000	-	-	-
Other	63	-	63	-	-	-	-
TOTAL DISBURSEMENTS	671,163	-	133,880	382,356	141,023	-	13,904
CASH BALANCE JUNE 30, 1977	$2,033,108	$ 87,269	$1,085,405	$ 367,640	$458,679	33,615	$ 500

DEPARTMENT OF LABOR

Personnel: 194 Operating Appropriation: $1,013,133

The implementation of performance standards for each job level, workshops conducted in supervision and work procedures, and a review of statutes were the primary reasons for the Department of Labor being able to meet its objectives for the year. The optimism and morale of most officers of the Department improved considerably with placement of emphasis on the need for quality of work and the upgrading of unreasonably low grade levels.

The Division of Labor conducted 1,592 payroll audits and collected $32,843 in fines for improper job classifications, incorrect overtime payments, underpayment of minimum wages and excessive deductions. Wage claims totalled 220, of which 132 were completed. Forty-two were dismissed, forty-six were pending at the end of the year and $39,870 was collected for claimants involved in these cases.

One of the major difficulties of maintaining planned schedules of inspections is the fact that many businesses are licensed under a corporate name but operate through one or more trade names, requiring considerable time to discover and make proper adjustments in records.

Officers of the Division of Occupational Safety and Health conducted 231 inspections during the year, 198 of which were in the private sector and forty-three in Government agencies. The largest number, sixty-three, were in the construction field, followed by forty-one in retailing and thirty-three in manufacturing. There were 834 alleged violations in the private sector which drew $31,570 in penalties. Alleged violations in the public sector numbered 352.

Staff members received 1,078 man hours of training from OSHA, NIOSH and in-house sources in a variety of areas. A brochure describing the divisions on-site consultative services to employers was designed and distributed and six seminars were held for union representatives, Government agencies, employers and the public.

The Division of Workmen's Compensation received 1,431 reports of injuries and illnesses, including six fatalities. Two of the latter were the result of assault, two were traffic accidents, one was struck by an object while working and one fell from an elevation. Five of these cases were not settled by the end of the year, and two others that happened in previous years were also continued into 1978.

A total of 3,077 claims including those from previous years were processed at a cost of $1,180,415. Adjustments included orders issued to the Government Insurance Fund for the payment of benefits. Formal hearings were held only in major cases and informal hearings and interviews were held in cases involving claims for temporary and permanent partial disabilities.

A proposal of the Division of Statistical Services to absorb the personnel and function of the research and analysis section of the Division of Employment Security to form a new Bureau of Labor Statistics was approved. This step consolidates the gathering of labor market information in one unit. Full integration of the functions will be accomplished in planned phases over the next several years.

The Division computerized for the first time the supplementary data system to improve workmen's compensation statistics on causes of injuries and illnesses. Under this program, all first reports were coded according to Federal/state specifications, key-punched and verified in-house and awaited conversion to tape at the close of the year.

Publication of the third annual report on hours and earnings in the whilesale and retail trade for 1975 was released ahead of schedule as was the fourth annual report on hours and earnings in manufacturing. The report on wholsale and retail trade showed that average hourly earnings of employees in these areas rose to $3.09 in 1975 from $3.04 in 1974. The manufacturing study reflected the continuing weakness of the economy between the first quarter of 1975 and the same quarter of 1976. Although average hourly earnings rose to $4.78 from $4.43 during the year, average weekly earnings dropped to $179 from $182, indicating a decline in average weekly hours worked.

Congress passed legislation to permit affiliation of the Virgin Islands Unemployment Insurance System, administered by the Division of Employment Security, with that of the Federal Government. Revisions of the Virgin Islands law, which are necessary for affiliation, were prepared in draft form and submitted to the U. S. Department of Labor for review. The draft was returned with recommendations and work began on the final version for submission to the Governor.

The division concluded cooperative agreements with the agency that administers the Comprehensive Employment Training Act, and was empowered by legislation to borrow an additional $5 million, which raised the total borrowing authorization to $15 million.

Misinterpretation of the unemployment insurance law, which led to overpayment of benefits under the Supplemental Unemployment Assistance Act, forced a detailed search of records to determine the extent of overpayment and to identify beneficiaries who might be eligible for the increased benefits from 1972 through 1977. Claimants were paid $7,386,139 under all programs during the year.

The major objective of the Division of Veterans' Affairs, to have the Veterans' Administration provide free out-patient care, was accomplished with passage by the Legislature of the Virgin Islands Ambulatory Health Care

Program. Veterans used this arrangement to the fullest extent. The estimated cost for the year was $410,207.

Although the number of veterans increased during the year from 5,000 to 7,000, only 290 were unemployed. This represents 4.14 per cent of the veterans and .7 per cent of the work force and is a sharp decrease from last year.

The Division of Apprenticeship and Training received 256 apprentice applications. Of this, eighty first year placements were made and forty-six certificates were awarded for completion of terms that began during the past two years. Forty-eight high school students who were enrolled in vocational-technical education programs registered as part-time trainees or apprentices. This program provided opportunities to bridge the gap between the classroom and the world of work and for full-time enrollment upon graduation.

Placements for the year represented a substantial increase over last year and reflect a measure of change in the attitude of the business community as well as the effectiveness of the "selling job" by staff personnel, business and education leaders.

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH

CONTESTED CASES	PRIVATE SECTOR ALLEGED VIOLATIONS N*	S**	F***	R****	PENALTY ASSESSED N*	S**	F***	R****	PENALTIES COLLECTED
8	746	63	19	6	$3,175	$19,925	$7,490	$980.	$ 10,285

PUBLIC SECTOR ALLEGED VIOLATIONS N*	S**	F***	R****
289	23	38	2

* N - Non Serious
** S - Serious
*** F - Failure to Abate
**** R - Repeated

Industries	CONSULTATION SIC	INSPECTIONS CONDUCTED Private	Public
Oil	01-09	0	2
Construction	15-17		0
Manufacturing	19-39	9	0
Transportation	40-49	2	0
Wholesale Durable	50	0	0
Retail Trade	52-59	6	0
Financing, Real Estate	60-67	1	0
Services	70-88	2	3
Government Agency	94	0	1
	96	0	1
		21	7

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH

INSPECTIONS CONDUCTED

Industries	SIC	Private	Public
Oil	01-09	1	0
Construction	16-17	63	6
Manufacturing	19-39	33	0
Transportation	40-49	13	5
Wholesale Durable	50	11	0
Wholesale Nondurable	51	0	2
Retail Trade	52-59	41	0
Financing, Real Estate	60-67	13	0
Services	70-88	23	22
Government Agency	92	0	1
	94	0	6
	96	0	1
		198	43

TYPES OF INSPECTIONS

	ENFORCEMENT		CONSULTATIVE	
	Private	GASP	Private	GASP
Initial	138	26	21	7
Follow-up	61	9	0	0
Accident	2	0	0	0
Complaint	4	7	0	0

DIVISION OF VETERANS AFFAIRS

Virgin Islands Ambulatory Health Care Program (VIAHC) Hospitalization, Cost, and Impact on Economy

(VIAHC) In a brief capsule form, an attempt will be made to give a financial picture on the cost of this program to the VA and represents monies spent in the Virgin Islands.

Estimated Cost VIAHC Program	$ 77,875.64
Estimated Hospitalization Cost in V.I.	207,331.30
Estimated Cost Air Fare & Taxi for Out-patient service	125,000.00
Total Estimated Cost Medical Program	$ 410,206.94

NOTE: These figures represent the minimum amount that could be spent by the VA, and do not include hospitalization charges for veterans hospitalized at the VA.

Hospitalization

Charles Harwood Memorial Hospital

Amount Collected - In-Patient Bills	$ 44,068.91
Amount Collected - Out-Patient Bills	2,653.17
Amount Outstanding - Out-Patient Bills	1,458.75
Amount Outstanding - In-Patient Bills	48,260.00
Total	$ 96,440.83

Knud Hansen Memorial Hospital

Amount Collected - In & Out-Patient Service	$ 21,890.47
Amount Outstanding	89,000.00
Total	$ 110,890.47

VA Data on Medical Services Rendered at VA Hospitals, San Juan, Puerto Rico

	St. Thomas	St. Croix
No. Veterans Admitted to VAH from	86	94
No. Out-Patient Visits to VAH	1436	1160
No. V.I. Veterans Admitted to Contract Hospitals in Puerto Rico	3	2

DIVISION OF VETERANS AFFAIRS

VIAHC PROGRAM - St. Croix

Doctor's Office Visit	Number	Cost Per Visit	No. Visits	Total Cost
Initial Office Visit	9001	$16.00	684	$10,944.00
Follow-up Office Visit	9003	9.60	272	2,611.20
Routine Office Visit	9004	9.00	352	3,168.00
Specialist Office Visit	9085	25.00	66	1,650.00
Follow-up Office Visit	9083	15.00	76	1,140.00
Prescriptions Filled			1,090	10,021.14*
X-rays			320 @ $20.00	6,400.00*
Laboratory Work			291 @ 10.00	2,910.00*
Theraphy			381 @ 12.50	4,762.50
Other			258 @ 15.00	3,870.00*
			Total St. Croix	$47,476.64

VIAHC PROGRAM - St. Thomas

Doctor's Office Visit	Number	Cost Per Visit	No. Visits	Total Cost
Initial Office Visit	9001	$16.00	365	$5,840.00
Follow-up Office Visit	9003	9.60	290	2,784.00
Routine Office Visit	9004	9.00	195	1,755.00
Specialist Office Visit	9085	25.00	270	6,750.00
Follow-up Office Visit	9083	15.00	180	2,700.00
Prescriptions Filled			620	875.00*
X-rays			129 @ $20.00	2,580.00*
Laboratory Work			305 @ 10.00	3,050.00*
Theraphy			18 @ 12.50	2,250.00*
Other			121 @ 15.00	1,815.00*
			Total St. Thomas	$30,399.00
			TOTAL ESTIMATED COST	$77,875.64

* Estimated Cost

DIVISION OF EMPLOYMENT SECURITY

SUMMARY OF PAYMENTS - ALL PROGRAMS

	FY 1977	FY 1976
Local - VIUI	$ 6,011,587.00	$ 7,038,141.00
Federal - UCFE/UCX	187,798.00	260,363.00
Federal - WIN	44,621.00	19,267.50
Federal - CETA	26,091.00	13,804.00
Federal - SUA	1,116,042.00	1,820,077.00
Total Payments - All Programs	$ 7,386,139.00	$ 9,151,653.00
Total Checks Written	94,386	159,929
Total Active Employer File	1,957	1,900

C. Budget and Personnel

The Fiscal Section of the Virgin Islands Employment Security Agency oversees the fiscal and personnel matters of both divisions of the Agency.

1. Budget and Personnel - FY 1977

    a. Total Agency Budget - $1,891,204.00

    b. Total Agency Personnel - 113

        Employment Service 72

        Unemployment Ins. 41

Foot Note: This does not include personnel hired for special projects, emergency or increased workload purposes during the fiscal year.

DIVISION OF EMPLOYMENT SECURITY

COMPARISON OF UNEMPLOYMENT INSURANCE CLAIMS
FISCAL YEAR - 1977

	F/Y - 1977	F/Y - 1976
Initial Claims	5735	7626
Female	1961	1905
Weeks Claimed	95916	112527
Exhaustions	1807	1270
UCFE		
Initial Claims	23	14
Weeks Claimed	298	241
UCX		
Initial Claims	38	41
Weeks Claimed	840	689

DIVISION OF EMPLOYMENT SECURITY

TABULAR COMPARISON OF U.I. COLLECTIONS
FISCAL YEAR 1977

MONTH	F/Y - 1977	F/Y - 1976
July	$ 304,382.04	$ 406,057.79
August	348,053.19	306,794.11
September	16,766.44	42,183.87
October	122,613.91	219,095.23
November	290,697.65	225,323.75
December	15,898.56	43,044.99
January	117,083.03	96,249.26
February	188,755.42	243,004.39
March	51,718.84	58,724.50
April	174,634.20	354,628.16
May	744,845.27	567,197.36
June	50,315.04	26,345.24
Totals	$2,425,764.59	$2,588,648.65

Total Active Employer File	1957	1900

DIVISION OF EMPLOYMENT SECURITY

SUMMARY OF BENEFIT PAYMENTS - FISCAL YEAR 1977
UNEMPLOYMENT INSURANCE SERVICE

MONTH	F/Y - 1977	F/Y - 1976
July	$ 574,290.00	$ 570,122.00
August	628,750.00	603,768.00
September	727,481.00	476,545.00
October	538,495.00	543,573.00
November	524,137.00	450,929.00
December	600,103.00	661,747.00
January	402,168.00	564,272.00
February	369,819.00	595,813.00
March	503,798.00	786,289.00
April	362,409.00	573,646.00
May	358,516.00	535,084.00
June	421,621.00	556,433.00
Totals	$6,011,587.00	$6,918,221.00
Total Checks Written	94,386	104,316

DIVISION OF EMPLOYMENT SECURITY

LOANS FROM THE UNITED STATES TREASURY
UNEMPLOYMENT INSURANCE SERVICE
FISCAL YEAR 1977

MONTH	F/Y - 1977	F/Y - 1976
July	$ 550,000.00	$ 550,000.00
August	575,000.00	450,000.00
September	525,000.00	620,000.00
October	450,000.00	450,000.00
November	480,000.00	375,000.00
December	525,000.00	204,313.00
January	525,000.00	515,000.00
February	375,000.00	475,000.00
March	375,000.00	525,000.00
April	275,000.00	200,000.00
May	175,000.00	300,000.00
June	350,000.00	505,000.00
Totals	$5,180,000.00	$5,169,313.00

DEPARTMENT OF LAW

Personnel: 87 Operating Appropriation: $1,804,488

The Governor submitted ninety-six bills to the Legislature, of which eighty-one were drafted by the Legislative Section of the Department of Law. The other fifteen were budget bills. The section also analyzed 204 bills passed by the Legislature and prepared statements that explained the Governor's objections to the forty-eight bills he vetoed.

Among the more significant bills that originated with the Executive branch were those to confer legislative approval of a contract with Hess Oil and the Virgin Islands Port Authority concerning a container port for St. Croix, and an amendment to the criminal code that became known as the "Anti-Crime Act". The container port has been in proposal form for many years and it is hoped that this approval will result in the beginning of construction by early next year.

In the past, when a Governor's bill came to the floor of the Legislature, the Assistant Attorney General appeared to explain and answer questions. The Twelfth Legislature, however, eliminated the function of the Legislative Section by an amendment to its rules.

The Civil and Administrative Law Division was handling some 300 court cases at the end of the year in local and Federal courts as well as the Supreme Court. This total does not include litigation handled by staff attorneys assigned to various Government departments and agencies. However, all future litigation will be reflected in case figures as all Law Department attorneys are now required to obtain a civil division number for each file.

The collection task force created last year continued its efforts with increased emphasis. The attorney in charged worked with various departments and agencies in setting up procedures to recover a greater portion of monies owed to the Government than had been recovered in the past. Cases that involved large amounts of money or complex issues were handled by the head of the task force. Particular progress was made in the areas of Small Business Development Agency loans, housing mortgages, hospital bills, scholarship loans and drinking water bills. There also was a substantial increase in the collection of enemployment insurance premiums from employers.

Two major contracts to which the division devoted considerable hours of legal work were those for the Virgin Islands Refining Co. for construction and operation of the second oil refinery in St. Croix, and for the south shore (St. Croix) electric generating plant of the Virgin Islands Water and Power Authority.

Work on developing uniform contracts neared completion. This project is expected to result in better protection for Government interests through better quality contracts and a substantial reduction of time required to process them.

Among the several cases brought before the Government Employees Service Commission was one which could have far-reaching effects. The case concerns an action brought by an H-2 alien who sought to overturn a statute that permits a resident to replace a non-resident alien on a job. The District Court dismissed the action and it was appealed to the Third Circuit Court where argument was heard in April. An amicus curiae brief was submitted by the U. S. Attorney General who argued that the statute does interfere with Federal laws. The Court had not handed down a decision at year's end.

The thirty per cent withholding tax rule was put in jeopardy by the Third Circuit in a case in which the Court for the first time concluded that the "mirror in the mirror" theory is in effect a "two-way mirror". In essence, the decision said that payments by Virgin Islands subsidiaries of mainland parent companies were not subject to the thirty per cent withholding by the Virgin Islands Government. The Department of Finance stated that this decision could force the Government to return some $20 million collected over the past several years and eliminate the source of some $4.5 million tax money per year. The Department filed a suggestion for rehearing by the Third Circuit Court and was considering an appeal to the Supreme Court.

A related case appeared to be developing that would test the disallowance by the Government of mainland dependents of island residents. Such dependents are disallowed because under the "mirror theory" they are considered non-resident aliens.

The division worked on more than seventy-three other tax cases, seventeen of which were settled for nearly $2.75 million.

The number of criminal and traffic cases filed for processing by the Criminal and Family Law Division declined significantly compared to 1976. Criminal cases totalled 777, down from 840 and traffic cases dropped to 8,876 from 11,925. The number of criminal cases that were disposed of totalled 791 compared to 882 for 1976, and the number of traffic cases was one less than the 1976 figure of 6,056.

The Narcotics and Investigation Division reported that eighty-six arrests were made for violation of laws on controlled substances. There were seventeen convictions. While marijuana was still easy to obtain, trafficking in cocaine and heroin was up sixty-five per cent. Marijuana turnover did not change but some new drugs such as amyl nitrate, liquid methadone and liquid cocaine appeared.

The Office of the Marshal received 21,636 summonses of various types, served 19,675 and collected $199,687. All figures represent declines from the previous year.

Marshals continued to be used as security guards at several public schools and were also assigned to night guard duty at a building housing five Government operations, including the Territorial Court and the public television station.

The number of cases submitted to the Office of the Medical Examiner and Crime Laboratory decreased during the year but the number of tests increased, especially those related to narcotics. There were 1,297 samples submitted for analysis, and 106 autopsies were performed, a decrease from the 173 of last year.

CRIMINAL	1975-'76 ST. CROIX	1976-'77 ST. CROIX	DIFFERENCE
Criminal Cases Filed:	605	575	30-
Tried:	190	252	62+
Disposed:	495	564	69+
Traffic Cases Filed:	5,281	4,147	1,134-
Tried:	1,236	3,427	2,191+
Disposed:	4,033	3,713	320-
Lawyer: Preparation Hours:	684.5	293	391.15+
Court Hours:	965.5	839.15	126.15+
Court Days:	319.5	275.5	44.0+
Litter Cases Filed:	-0-	1	1+
Tried:	16	1	15-
Disposed:	16	1	15-
FAMILY			
Juvenile Cases Filed:	110	130	20+
Tried:	28	72	44+
Disposed:	69	53	16-
Support Cases Filed:	289	203	86-
Tried:	719	406	313-
Disposed:	82	52	30-
Lawyer: Preparation Hours:	153	118.45	34.15-
Court Hours:	202	447.15	245.15+
Court Days:	128	102	26-
Support Money Received:	$498,006.23	$505,778.21	$ 7,771.98+
Disbursed:	461,546.98	515,326.47	53,779.49+
IV-D Program (Received):	-0-	44,361.94	
Visitors:	2,266	2,059	207-
Interviews:	2,266	1,577	689+
Misdemeanors to District Court:	-0-	38	38

STATISTICAL DATA

CRIMINAL:		1975-'76 ST. THOMAS	1976-'77 ST. THOMAS	DIFFERENCE
Criminal Cases	Filed:	235	202	33-
	Tried:	167	117	50-
	Disposed:	387	227	160-
Traffic Cases	Filed:	6,644	4,729	1,915-
	Tried:	412	482	70+
	Disposed:	2,023	2,342	319+
Lawyer:	Preparation Hours:	1,652.45	1,369.55	282.50-
	Court Hours:	806.25	1,024.31	218.06+
	Court Days:	315	319	4+
Litter Cases	Filed:	28	7	21-
	Tried:	8	1	7-
	Disposed:	6	3	3-
FAMILY				
Juvenile Cases	Filed:	86	91	5+
	Tried:	70	45	25-
	Disposed:	135	108	27-
Support Cases	Filed:	225	312	87+
	Tried:	515	304	221-
	Disposed:	801	422	379-
Lawyer:	Preparation Hours:	511.5	395.0	116.5-
	Court Hours:	315.40	180.15	135.25
	Court Days:	182	133	49-
Support Money	Received:	$419,203.60	$398,657.99	$20,545.61-
	Disbursed:	413,895.88	414,427.37	531.49+
IV-D Program	(Received):	-0-	45,652.06	
Visitors:		4,008	3,542	466-
Interviews:		3,311.9	3,062.12	248.57-
Misdemeanors to District Court:		16	7	9-
District Court Days:		10	38	28+

OFFICE OF THE LIEUTENANT GOVERNOR

Personnel: 67 Operating Appropriation: $1,002,000

The annual statictical summaries of the various functions of the Office of the Lieutenant Governor, particularly those relating to deeds and other records concerning real property, banking and insurance activities and registration of business names, serve as a fairly accurate barometer of the economic conditions of the Territory. In general, the barometer indicated improvements.

The number of deeds and other legal instruments recorded totalled 18,597, an increase of 3,329 from the previous year. St. Croix alone recorded 10,612 of this number and its increase was 3,143. Banks and other lending institutions, including local and Federal Government agencies, issued 758 mortgages totalling $26.3 million, an increase of just over $5 million from the year before.

There were 266 new improvements and additions to improvements appraised and added to the tax rolls by the Tax Assessor's Office, In addition, about 200 new subdivisions were recorded to the tax maps and made part of the tax rolls.

Taxes collected totalled $8.65 million compared to $8.79 million for 1976. Assessments were also down slightly, but 30,217 tax bills were issued, an increase from 29,397. The drop in tax collections was due to the increases in the number of exemptions granted to veterans and for homesteads and farm land.

During the last half of the year more than 2,000 appeals were processed for the Board of Tax Review. About fifty per cent were withdrawn after explanations were given for increased assessments. However, considerable time was spent in preparing documents and other materials for presentation to the Board.

The number of appeals will probably be greatly reduced in the future as the implementation of the 1975 reassessment will more closely reflect the actual value of real property multiplied by the ratio of sixty per cent to the assessment factor.

The Insurance Division reviewed and approved 3,158 policy forms, and certificates to do business in the Territory were issued to nine new insurance companies, including the first domestic insurer to be registered by the office. One company withdrew from solicitation and licenses were issued to 487 insurance company representatives.

The volume of business reported by all insurance companies totalled $22.5 million, which was an increase of 16.4 per cent over 1976. The increase was due primarily to compliance with the compulsory automobile insurance law, which became effective in 1976.

The compulsory requirement continues to be controversial. Opponents favor repeal, claiming that the law is not being properly administered and the original intent is not being met. Proponents feel that certain amendments could make the law workable for both the auto owner and the insurers. Many of those insured contend that revisions should be addressed to specific restrictions on company action in setting rates and quotas limiting the number of classes and risks.

At the close of the year there were four national banks, three foreign, one savings and loan association and one small loan association operating thirty-three branches throughout the Territory. The loan association began operations during the year and is the first in the Virgin Islands. The Federal Deposit Insurance Corporation, which in 1975 took over the one local bank when it could not meet its obligations, closed its doors when it could not find take-over interests after the two year statutory period of operations.

Time and savings deposits of individuals, partnerships and corporations decreased to $252.3 million from $544.4 million of 1976. Demand deposits increased from $55.3 million to $60.7 million and assets decreased to $664.3 million from $826 million.

The Corporate and Trade Names Division registered 783 new trade names during the year, a decrease from the 866 registrations of the year before. Certificates of incorporation were issued to thirty-nine foreign and 269 domestic companies in 1976. The number of companies that ceased operations was 112 compared to 226 during 1976.

Other sections of the Office of the Lieutenant Governor issued 3,418 passports, a decrease of 416 from the year before; assigned act numbers to 268 legislative bills and made the appropriate distribution, and issued commissions to forty notaries public and cancelled ten, which brought the total number to 267.

PERSONNEL OFFICE

Personnel: 52 Operating Appropriation: $989,894

The Personnel Office, with a Federal grant, began a two-year project to modernize the Government's employee merit system by implementing several recommendations made earlier by the Intergovernmental Personnel Programs Division of the U. S. Civil Service Commission. A psychometrician, assigned by the Commission, coordinated the initial efforts, which resulted in the following accomplishments:

Revision of personnel rules and regulations, which now include the promotional plan; development of an affirmative action plan for all grant-in-aid agencies; completion of several chapters of a personnel manual; staff training in job analysis and development of classification principles, and partial computerization of retirement records and establishment of a teleprocessing system. A master file of 8,700 members of the retirement system was built.

The classification and compensation section processed and issued 142 notices of position reallocation and conducted 238 desk audits, a significant increase over the seventy-four audits conducted during the previous year. Other activities included job analysis and classification audit of CETA positions; construction of six proposed pay schedules using the Federal minimum of $2.30 as base pay; completion of a classification study for the

Department of Agriculture, and addition of a step to pay schedules to accommodate employees who were at the top of their range for a period of one year or more.

The recruitment and examination section conducted 2,455 evaluations, 1,230 examinations and made 1,016 appointments to positions.

The group health insurance program had 7,373 participating employees and 304 retirement employees. Premiums paid totalled $1.3 million and benefit claims were $668,380. The total amount of insurance in force was $89 million for non-contributory life; $19.3 million for contributory life, and $108.4 million for accidental death and dismemberment.

The new health plan with Prudential Life Insurance Co. became effective on December 1st and during the first six months there was a greater awareness of the availability of benefits and cooperation improved in the submission of enrollment records and documents and the submission and settlement of claims. Under the new program, benefit payments are made directly from the Personnel Office.

The retirement system counted $69.8 million in assets at the end of the year compared to $58.2 at the end of the previous year. The number of former Government employees on the retirement rolls grew to 789 from 671 in 1976. The combined retirement and pension disbursements totalled just under $3 million.

There were 3,869 personal loans to members of the retirement system that came to $7.2 million, and 117 new mortgages were approved amounting to slightly more than $2 million, which brought the mortgage portfolio to $10.4 million. Refunds to those who left the system before retirement amounted to $600,412.

New investment of retirement system funds totalled $11 million, $5 million of which went for the purchase of bonds, $3.5 million in loans to the Government, and $2.5 for the purchase of certificates of deposit.

DEPARTMENT OF PROPERTY AND PROCUREMENT

Personnel: 117 Operating Appropriation: $1,371,230

The purchasing power of the Government was strengthened significantly during the year by moving the buying responsibility of the Department of Education to the Division of Procurement and Supply of the Department of Property and Procurement. The consolidation involved the transfer of six employees. However, certain purchasing procedures must be modified before the operation can be considered fully integrated.

A survey initiated by the Department of the number and location of copying machines in various Government offices indicated that a consolidation could result in reduced expenses. A proposal, submitted by the major supplier of copiers, was put into effect with an anticipated annual savings of $80,000.

The scope of work of the Division of Procurement and Supply can be seen in the fact that it processed 3,234 purchase orders during the year for a dollar value of $6.8 million, which compared to 2,630 orders in the amount of $5.2 million for the previous year. Eleven construction contracts were awarded totalling $3 6 million. Of particular interest was the Federally funded contract for $500,000 to build the Government motor pool.

A project that began several years ago, to establish a file that shows the dollar value of a commodity and methods of buying for other Government agencies, was completed. This file should provide ready information on which to base future purchases for optimum results.

Acquisition of real property, a function of the Division of Property, increased markedly as the result of a road construction program sponsored by the Federal Highway Administration. The division, which acts as the acquisition agent for the Department of Public Works, must approve purchases where Federal participation is involved in road construction. In addition, property valued at $1.6 was purchased for other public uses.

The Division, in its responsibility for the review and approval of all space requirements of Government departments and agencies, processed 178 contracts for twenty-one agencies. It also managed all business and commercial properties owned by the Government that are leased to private users, which involved 104 contracts that were either permit agreements or long term leases.

The exchange of employees between the letterpress and offset sections of the Division of Printing began during the year in an effort to have pressmen become knowledgeable in the operation of both types of printing techniques.

The letterpress section, which was able to reduce the time for any given job from two weeks to one, produced 3,786,854 impressions during the year, an increase of more than 1.5 million over 1976. The offset section printed 3,691,901 pieces for twenty-eight agencies, an increase of nearly one million from the previous year.

A new social service program that provides transportation for the elderly was placed in the Division of Transportation. This $100,000 Federal effort provides transportation for service workers to the homes of the elderly and handicapped who are unable to travel, and for 500 older persons to facility areas. There are twenty-one vehicles in this senior citizens "mini motor pool".

There were 2,080 appeals to the Tax Review Board, a 475 per cent increase over the number for 1976. The ever increasing number of appeals are due primarily to legislation relating to the assessment and review of real property and has placed a tremendous burden upon the board.

DEPARTMENT OF PUBLIC SAFETY

Personnel: 721 Operating Appropriation: $10,908,476

One of the encouraging developments concerning the Department of Public Safety was the seven per cent drop in the number of known juvenile crimes from the year before and a thirteen per cent decrease in the number of young people involved.

In the major crime area there was a heartening decrease in the number of homicides, but the number of cases of rape and felonious assault increased. Burglary and robbery incidents also increased but auto thefts were down by large numbers. The number of grand larceny reports were up less than one per cent. Overall, the number of major crimes increased by only six per cent for both islands, compared to a fourteen per cent increase for St. Thomas/St. John and a thirty-nine per cent increase for St. Croix during the previous year.

One of the more visable operations of the Department is the Patrol Section of the Police Division. This Section received and investigated 15,614 complaints, filed 615 court cases, issued 7,246 traffic tickets and made 654 arrests, compared respectively to 19,669, 3,553, 12,551, and 729 for fiscal year 1976.

Twenty-four hour patrols and plainclothes teams were assigned to high crime areas in both St. Thomas and St. Croix, with a noticeable decline in crimes and an increase in the number of arrests in these sections. In an effort to reduce daytime burglaries in several rural areas, officers were re-deployed and juvenile officers were assigned to impound improperly licensed bicycles, as it appeared that they were used in committing these crimes.

The effectiveness of this Section could be greatly improved with the implementation of an anti-crime squad on a permanent basis and sector patrols to shorten response time to calls for aid.

The Criminal Investigation Section reorganized the operation in St. Croix by naming a new Acting Chief Investigator and by combining the Identification Unit, which was part of the Investigation Unit, with the records function to form the Records, Identification and Communications Section. As part of the reorganization, a new reporting and record keeping system was created which included a thorough and complete recording of the Unit's daily, monthly and annual results. A new monthly rating form for investigators was also initiated.

Relations with the U. S. Attorney's Office improved with the implementation of a "case feedback" form, which enabled the Section and the Federal office to keep abreast of all cases sent for prosecution. The form also indicated errors that might have been made throughout the investigation by the investigation officer of the prosecuting attorney.

Members of the Investigation Section attended five seminars or training courses that totalled 188 hours of class work. During the year the Section handled 4,970 cases and made 298 arrests.

The Traffic Section registered 31,974 vehicles, an increase from 31,447 registrations during the previous year. Inspection fees totalled $1,247,475 compared to $1,141,206. The Section also issued 8,156 permanent and 35,495 temporary driver's licenses. The high proportion of temporary permits, as in past years, were issued to visitors who used rental cars.

During the reporting period there were 4,185 auto accidents that resulted in 991 injuries and fifteen fatalities. These figures compared respectively to 3,776,786 and nineteen for 1976. Traffic tickets totalled 6,177 compared to 8,525 for 1976.

A Highway Safety Reporting and Coordination Unit was initiated with responsibility for all highway safety functions of the Department. The work of this Unit was responsible for the Department receiving $490,000 in Federal funds for continuation and expansion of this effort. A follow-up was the development of a traffic records system to assist the Department personnel with their evaluation and management of traffic safety programs. The Selective Traffic Enforcement Program, which was put into effect by the end of last year to improve programs to reduce highway injuries and fatalities, was continued with added emphasis.

The School Crossing Guard Program, which is part of the Traffic Section, was refined into a cost effective operation that provided protection only during times when children were on their way to or from school. The reduction of actual working hours provided greater coverage at the many crossings.

A Task Force was created by the Motor Vehicle Inspection Unit to study and make recommendations for legislation on problems relating to vehicle safety. Among the recommendations were year-round inspection of vehicles, semi-annual inspection of buses and emergency vehicles, mandatory visual tests for the initial and renewal of driver's licenses, and a requirement to take a written examination for renewal.

The Juvenile Section handled 1,168 complaints involving 1,675 juveniles and filed 253 court cases. Counselling was provided to 1,185 who were later released, 219 were referred to the Department of Social Welfare and eighteen were placed in custody. As noted earlier, the number of juvenile crimes and those involved, both declined in numbers from 1976.

The decline in anti-social behavior of juveniles can be attributed directly to increased foot and motor patrols in high-incidence areas, and indirectly to the many community programs that were conducted by Section officers and members of the Police Athletic League. Among these activities were speaking engagements before civic organizations and schools, arts and crafts programs, formation of a steel band, sports activities and a kite flying contest.

Instruction on juvenile delinquency was made a permanent part of the Police Academy training program and a guidance manual for police officers dealing with delinquents was prepared and will be used as a training manual for all new officers.

A Special Operations Section was established during the year through the reorganization of the St. Thomas Patrol Bureau that place more emphasis on patrol activities. This Section was responsible for all aspects of the jail and inmate activity as well as control of the operations of the Home Guard, School Crossing Guards, Court Liaison Officer, the Mounted and Cycle Patrols. It is interesting to note that no crimes were reported in areas covered by Mounted Patrols.

The Fire Division took delivery of a number of much needed vehicles, including a quick attack pumper, an aerial ladder pumper truck and a tractor. Legislation was introduced and passed that also assisted the Division and included permission to demolish and remove hazardous structures and updating of the Fire Prevention Code.

Firefighters handled 1,887 fires during the year, almost double the number in 1976, and responded to 130 false alarms, twenty-five more than the year before. Estimated fire losses totalled $847,079 in St. Croix and $1,386,900 for St. Thomas/St John.

Fire prevention efforts included 866 inspections, 903 special and re-inspections, issuance of 401 violations (331 of which were corrected) and orders for 83 demolitions.

Various training programs attended by Division personnel covered all aspects of firefighting, first aid, arson detection, explosive and incendiary devices, and it is expected that courses will soon be taught at the College of the Virgin Islands that lead to a fire science degree.

The Correction Division instituted a rehabilitation program by testing forty inmates for placement in various levels of an adult education program. From initial enrollment of twenty-five in three levels, five took and passed the general education development test and will be awarded high school equivalency diplomas. A vocational training program, funded by a grant from the Law Enforcement Planning Commission, also got underway and offered instruction in agriculture, automotive mechanics and body repair and building maintenance. The program had thirty-seven inmate enrollees or thirty-four per cent of the prisoners in the St. Croix facility.

To improve working relationships between inmates and staff, classes were conducted in interpersonal relationships, group dynamics, and sensitivity training for forty-seven correctional officers. The 492 hours of instruction was given by a team of psychologists, penologists and lawyers from Puerto Rico.

At the close of the year there were 128 inmates at the Golden Grove Correctional Facility in St. Croix and thirty-six in the Fort Christian jail in St. Thomas.

Halfway through the year, the Prosecutor's Investigation Unit, which was created by a grant from the Law Enforcement Planning Commission, was put under the administration of the Commissioner's office. The name was changed to Special Investigation Unit and the responsibilities realigned to meet the demands for an effective intelligence and information gathering group within the Department.

During the fourth quarter, fifty-one new police recruits were hired, the first additions to the Police Division since 1975.

DEPARTMENT OF PUBLIC WORKS

Personnel: 1,253 **Operating Appropriation: $18,388,190**

Activity accelerated during the year in nearly all areas of the Department of Public Works, stimulated primarily by several programs funded by the Federal Highway Administration, the Urban Mass Transportation Administration, Department of Housing and Urban Development and by grants from the Economic Development Administration.

Additional road routes were accepted into the Federal system and the total mileage now eligible for Federally aided improvements is 179.5, an increase of 147.7 over the original 31.8 miles. A total of 3.1 miles of private roads were accepted by the Government into the public system, 27 road construction plans were completed and 15.7 miles of new roads were constructed.

Applications were submitted for a Community Development Block Grant and to the Virgin Islands Public Works Acceleration Authority for funds to acquire land and for relocation expenses for a right-of-way near the St. Thomas airport. The cost is estimated at $1.4 million, seventy per cent of which would be reimbursed by the Federal Highway Administration. The block grant application was still pending at the end of the year but the acceleration authority application was approved and the necessary loan agreement drafted. The Federal Highway Administration approved an application of $852,000 for a right-of-way project on St. Croix.

The Bureau of Roads, in addition to its building and resurfacing activity, striped 346.3 miles of roads on three islands and installed 1,637 traffic signs. The work was done with the aid of the highway agency under a separate in-house program.

Grants amounting to $608,008 from the Virgin Islands Office of Highway Safety were used to apply engineering principles to control traffic conditions and the installation of route markers and kilometer posts to aid in the prompt location of accidents.

As the result of a study of mass transportation completed last year, a preapplication for $3.5 million for the first phase of a three-year $5.6 million grant program was submitted to the Urban Mass Transportation Administration to improve such facilities. If approved, the first phase funds will be made available to the islands' two bus companies to purchase twenty-two 36-passenger buses and four 24-passenger buses, all equipped to accommodate the elderly and handicapped. The local share of the first phases is a cash contribution of $700,000 to be paid by the bus companies. A UMTA grant of $115,000 was received for the purchase of twelve specially equipped vehicles to serve the elderly and handicapped. The local share will be $28,500.

Application was made to the Economic Development Administration for a $5 million grant to construct a section of the criminal justice building to house the Department of Public Safety. Construction of the complex by sections became necessary because the total estimated cost of $9 million exceeded the amount the EDA could approve. The facility will also house the Department of Law and the Territorial Court.

Other EDA grants that have been received included $585,937 for a motor pool; $394,083 for a juvenile detention center on St. Croix, and $3.1 million for an elementary school on St. Croix.

The number of building permits issued during the year reflected a significant increase in building activity. There were 523 permits issued in St. Thomas and St. John for an estimated construction value of $16.5 million, an increase of 17.5 per cent over 1976. In St. Croix, a total of 357 were issued with estimated construction costs of $$17.9 million, an increase of 55.5 per cent over the previous year.

The Division of Project Design and Engineering provided architectural and engineering design services for twenty-eight projects, mostly for renovations of various Government buildings, construction of sewer lines and for an elementary school. The Division of Construction repaired or maintained thirty-five Government facilities and was involved in thirteen construction projects, including an elementary school on St. Croix as well as sidewalks, walls and a cemetery and chapel.

The Division of Utilities and Sanitation laid approximately 15,534 feet of potable water lines, 13,074 of which were in St. Croix. Potable water distributed in St. Thomas totalled 677.5 million gallons, 588 million gallons of which were pumped to consumers and public standpipes. Approximately eighty-four million gallons were delivered by tank trucks to public housing and private purchasers. St. Croix distribution totalled 784.4 million gallons.

The salt water system, used primarily for fighting fires, was improved with the laying of 1,500 feet of pipe on both islands, the rebuilding of two pumping stations on St. Thomas which increased the output capacity by several hundred gallons per minute, the replacement of thirty-five fire hydrants, relocation of nine and the installation of six new ones.

The waste water section on St. Thomas operated one primary treatment plant, two main lift stations, six package lift stations, seven package treatment plants and five pneumatic ejector stations. The primary plant, rated at 3.4 million gallons per day, treated an average daily load of 2.5 million gallons. Operations in St. Croix included one primary and two secondary treatment plants and fourteen lift stations. Total waste water handled was approximately 1.45 million gallons.

The sanitation section in St Thomas collected and disposed of 33,666 tons of solid waste. In addition to its regular routes, it handled collections in areas previously contracted to private haulers. The St. Croix total was 20,761. Private haulers collected 5,277 tons of this amount.

PUBLIC SERVICES COMMISSION

The Public Services Commission has regulatory jurisdiction over seven companies that operate the telephone system, bus transportation, ferryboats between St. Thomas and St. John, a private water supply service and the authority that operates the public electric utility, which also produces water through various desalting processes. In addition, it has information gathering jurisdiction over the docks and warehouse operations of the West Indian Company, Ltd.

During the year the Commission conducted ten regular and five special meetings, five public and two formal hearings and made two court appearances. It also met with the Legislature's Committees on Government Operations and Public Safety and with the Water and Power Authority governing board.

A total of twenty-five formal orders were issued which affected all of the companies under the Commission's jurisdiction. The telephone company was assessed $5,000 for investigations relative to their application to the Industrial Incentive Commission for continued tax exemption.

Rate increases were permitted for one bus company and the private water utility, while a rate decrease was permitted for the other bus company. Rates were also established for the two ferryboat companies.

FEDERALLY-AIDED PROJECTS

Project	Status	Estimated Project Cost	Funding Local	Funding Federal
Federal Highway Administration:				
SRS 0005(001) - Striping and Marking of Public Roads in the Virgin Islands (392.07 miles)	Completed Nov., 1977	$ 273,487.36	In-Kind Services	$ 273,487.36
SRS 0005 (002) - Highway Traffic Signing Program	Continuation Program	278,129.72	$ 52,855.00	225,274.72
VI-HPR-0001 (006) - Highway Planning & Research Program	Continuation Program	62,739.00	18,822.00	43,917.00
000S (001) - Redesign of Eleven High Hazard Intersections on St. Thomas	Design in Progress	33,715.00	3,371.50	30,343.50
TER 0001 (003) - Design of 4-lane Highway from Crown Mt. Intersection to Harry S. Truman Airport Access Road and College of the V.I., St. Thomas (1.5 miles)	65% Complete	180,000.00	54,000.00	126,000.00
TER 0001 (004) - Design of 4-lane Highway, Windward Passage Hotel to Raphune Hill, St. Thomas (2.5 miles)	47% Complete	279,783.00	83,936.00	195,848.00
TER 0001 (006) - Right-of-Way Acquisition, Crown Mt. Intersection to Harry S. Truman Airport Access Road, St. Thomas (.6 mile)	Acquisition in Progress	693,231.00	207,970.00	485,261.00

FEDERALLY-AIDED PROJECTS

Project	Status	Estimated Project Cost	Funding Local	Funding Federal
TER 1001 (005) - Design of 4-lane Highway from Sion Farm to Christiansted, St. Croix (2.9 miles)	95% Complete	$ 126,255.00	$ 37,867.50	$ 88,357.50
* TER 1001 (006) - Construction of Cross Island Highway, Diamond to Bethlehem, St. Croix (2.853 mi.)	80% Complete	3,807,080.00	612,435.00	3,194,545.00
TER 1002 (001) - Design of 4-lane Highway from Slob & Centerline Road to Cross Island Highway, St. Croix (.63 mile)	Design in Progress	58,060.00	17,418.00	40,642.00
TER 1002 (002) - Design of Christiansted By-Pass, 2-lane Highway from East End Road to Orange Grove and Herman Hill St. Croix (2.2 miles)	95% Complete	260,000.00	78,000.00	182,000.00
Urban Mass Transportation Administration				
VI-03-0001 - Transportation for the Elderly and the Handicapped	12 Vehicles Bid Invitation Advertised	143,750.00	28,750.00	115,000.00

* This project 100% funded by Federal Highway Administration due to unavailability of 30% local share; the local share is being repaid to FHWA in annual installments over a three year period.

FEDERALLY-AIDED PROJECTS

Project	Status	Estimated Project Cost	Funding Local	Funding Federal
Economic Development Administration:				
01-51-06025 - Construction of Motor Pool Complex, St. Thomas	Started 5/77	$ 585,937.00	-0-	$ 585,937.00
01-51-06026 - Construction of Evelyn Williams Elementary School, St. Croix	Started 5/77	2,714,000.00	-0-	2,714,000.00
01-51-06027 - Construction of Juvenile Correctional Facility, St. Croix	Started 6/77	394,083.36	-0-	394.083.36
Environmental Protection Agency				
LO-02123010 - Solid Waste Management Planning Program for the Virgin Islands	Completed FY/77	40,335.00	$ 20 335.00	20,000.00

DEPARTMENT OF SOCIAL WELFARE

Personnel: 481 **Operating Appropriation: $9,915,247**

A major objective of the Department of Social Welfare, to eliminate the discriminatory provisions of the Social Security Act, which restricts Federal funding for Territorial welfare programs, gained some headway during the year. These provisions require the Virgin Islands Government to pay nearly seventy per cent of the cost of welfare while states pay as little as thirty per cent, and forces the Department to maintain an inadequate public assistance benefit level and limits the expansion of social service programs.

Midway in the year, the Virgin Islands delegate to Congress introduced legislation to amend the Social Security Act to eliminate the unfavorable provisions. Subsequently, a subcommittee of the House Ways and Means Committee, in developing legislation to amend various welfare programs, included three important provisions for the Virgin Islands: 1) elimination of the Federal ceiling on payments for public assistance, 2) extension of the Supplemental Security Income Program to the territories, and 3)establishment of an entitlement of $500,000 under Title XX. This was the first time since public assistance was extended to the Virgin Islands twenty-five years ago that legislation has been proposed to eliminate the payment limit.

The Governor, Commissioner of the Department and head of systems, methods and programs for the Department, testified in support of the legislation before the subcommittee. Although the Title XX provision was substantially weakened, the other two provisions were sent to the full committee, then to the House where they were passed. The legislation was still pending at the end of the year in the Senate Finance Committee where there appeared to be some support.

Plans for a juvenile facility on St. Croix were initiated and followed up by the appointment of an interim advisory board for the development of a juvenile justice program, with the Commissioner as its chairperson. A comprehensive plan for a correctional rehabilitation center was developed and legislation was drafted for a Youth Services Administration which would be responsible for preventive services, operation of detention facilities, half-way houses and rehabilitation and probation services.

The total value of food stamps issued during the year was $15.6 million, an increase of slightly more than $1 million. Value of bonus coupons totalled $11.2 million, also an increase of just over $1 million. The average number of individuals who benefited from this program was 25,036, an increase of approximately 1,000 over last year. There continued, however, to be a gap between the number of households certified to participate and those who actually purchased stamps.

The nutrition program for the elderly, which was supported by a ninety per cent Federal grant under the Older Americans Act, exceeded its projected goal of serving 700 meals per day. The program provides one meal a day at congregation sites as well as "meal-on-wheels" to the home bound. This year the program was expanded with an additional $198,349 in Federal funds, which brought the total grant to $507,724.

A second income maintenance unit was set up in the St. Thomas/St. John district to determine the eligibility for persons seeking assistance under Federal and local welfare programs. This resulted in a better distribution of the approximately 1,000 cases in the district, with the worker case ratio being reduced to eighty-five compared to the high of 180 to 208 a year ago. Toward the end of the year, a concentrated effort to review the 220 overdue cases was completed, which helped to reduce the income maintenance error rate.

The Division of Paternity and Child Support, which began operations at the beginning of the fourth quarter of last year, was able to collect $145,000 from an average of 156 cases. This was a twenty-five per cent increase in the number of absent parents who made monthly payments to minor dependents, but did not reflect an increase in the rate and amount of collections. Failure to increase collections, in spite of Federal pressure, was due in part to the fact that only twenty-five per cent of the

1,600 absent parent cases -- the majority of which are included in the Aid to Families with Dependent Children program -- have current court orders and only a third of these made monthly payments.

The Division of Social Services administered a comprehensive program of services through six different programs.

The Bureau of Day Care operated eight day care centers, had contractural agreements with six private centers and maintained two pilot projects for deaf and blind children. Services were provided to 235 children.

Foster care and group home services were provided to 300 youngsters. A group home policy was developed to provide guidelines for further development of the program. A major achievement in the area was the approval of new board rates, which were increased from $120 to $150 for foster family care and from $210 to $240 for group care.

The work incentive unit had 263 registered clients. The projected goal for job placements was not met due to the limited job market and participants' lack of marketable skills. Late in the year an agreement was finally reached with CETA to provide jobs.

Protective services were provided to fifteen child abuse and neglect cases and there were fifty-five in-home adoptions and ten agency placements were processed.

There was a four-fold increase, from 103 to 423, in active cases handled by adult services. This increase highlighted a gap in services, especially for persons under sixty including drug addicts, alcoholics, the mentally retarded and emotionally disturbed.

The juvenile intake and probation units, funded by the Law Enforcement Planning Commission, handled 282 cases, a significant case load growth, particularly in St. Thomas. The staff was successful in utilizing the resources of such community programs as Sisters United, Big Brothers, Youth Commission and CETA in providing services to juvenile cases.

The vocational rehabilitation program operated four sheltered workshops for the handicapped, two in St. Thomas and two in St. Croix, as well as a home bound activity in St. John. These facilities provided evaluation, personal adjustment and some vocational training to up to fifty clients. The workshops also served as a place of employment for those too severely handicapped to compete in the labor market.

The program also operated a retail store in the largest resort hotel in St. Thomas that sold products of the workshops such as dolls, baskets and jewelry. The products sold well and provided a source of income. Plans were developed for the operation of a vending stand in the new Federal building in St. Thomas and a blind person was trained for the operation by the Jewish Guild for the Blind.

A major accomplishment of the Commission on Aging was the promotion of six gerontology courses at the College of the Virgin Islands that included health, sociology, psychology, legal ethics, psychiatric mental health needs and a seminar on aging. The courses were partially covered by Federal funds.

A home repair project, designed to aid elderly citizens in repairing and improving their homes, received national attention following a visit by the Commissioner of the Federal Administration on Aging and a report of the project appeared in the Administration's newsletter. Although innovative and worthwhile, the commission had difficulty in meeting all goals for this effort due to unavailability of CETA funds to provide sufficient manpower to carry out the repairs.

PUBLIC ASSISTANCE EXPENDITURES OF THE VIRGIN ISLANDS AND FEDERAL FUNDS BY FUNCTION

Function/Category	Total	Federal Share	V.I. Share	Federal Funds Received	Excess Over Fed. Ceiling	V.I. Share Plus Excess
Old Age Assistance	$ 166,901	$ 83,450	$ 83,450	$ 80,000	$ 3,451	$ 86,901
Aid to Families with Dependent Children	1,735,695	867,848	867,848	702,000	165,848	1,033,695
AFDC-Emergency Assistance	6,702	3,351	3,351	-0-	3,351	6,702
Aid to the Blind	4,186	2,093	2,093	2,000	93	2,186
Aid to the Disabled	104,775	52,388	52,387	16,000	36,388	88,775
SUB-TOTAL	$2,018,259	$1,009,131	$1,009,128	$ 800,000	$209,131	$1,218,259
Administration for Assistance	315,883	157,942	157,941	-0-	157,942	315,883
Total Federal Categories	$2,334,142	$1,167,073	$1,167,069	$ 800,000	$367,073	$1,534,142
Other Assistance						
Work Incentive Program-Child Care	$ 8,418	$ 7,576	$ 842	$ 4,725	$ 2,851	$ 3,693
General Assistance	197,708	-0-	197,708	-0-	-0-	197,708
Emergency Assistance	20,622	-0-	20,622	-0-	-0-	20,622
Emergency Welfare Assistance	21,496	-0-	21,496	-0-	-0-	21,496
Total Maintenance Assistance	$2,582,386	$1,174,649	$1,407,737	$ 804,725	$369,924	$1,777,661
Services and Training						
Social Services-Including Day Care Protective Care and Foster Care	$1,247,383	$ 768,154	$ 479,229	$ 500,000	$268,154	$ 747,383
Social Services-Work Incentive	39,729	35,756	3,973	21,000	4,756	8,729
Supportive Services-WIN	85,071	76,564	8,507	39,275	37,289	45,796
Training	31,143	20,426	10,717	-0-	20,426	31,143
Total Public Assistance	$3,985,712	$2,075,549	$1,910,163	$1,365,000	$700,549	$2,610,712

COLLEGE OF THE VIRGIN ISLANDS

Personnel: 332 **Operating Appropriation: $4,040,060**

The College of the Virgin Islands in its fifteenth year had a record enrollment of 2,122 full- and part-time students, an increase of forty-three over 1976. There were 578 full-time undergraduate students, 481 on the St. Thomas campus and ninety-three on St. Croix. There were four students who spent their junior year at the University of Connecticut in a cooperative education program, and forty-two were enrolled in the graduate teacher education program. Of the undergraduate body, seventy per cent were from the U. S. Virgin Islands, while the remainder were from other Caribbean areas and the mainland.

The College conferred 113 degrees at the thirteenth annual commencement, which featured Secretary of the Army Clifford L. Alexander, Jr. as the principal speaker at the St. Thomas campus exercises. Among the B.A. degrees were four in accounting, the first awarded by the College. Additionally, one graduate of the cooperative engineering program was awarded a degree, also a first.

A new baccalaureate major in accounting was approved, which required only three additional courses to provide the proper background to sit the certified public accountant's examination. Planning continued toward the establishment of new master's programs in public and business administration, which may be offered for the spring term providing a Federal grant is received.

The Melvin H. Evans Center for Learning on St. Croix was dedicated in December with a two-day convocation on higher education and was attended by many educators, community leaders and national figures such as Terence A. Todman, Assistant Secretary of State for Inter-American Affairs and a native of St. Thomas, and Bayard Rustin, civil rights leader, as speakers.

The speakers participated in panel discussions on subjects that included the role of the College in sustaining cultural and community life while providing foundations for improvement and bringing about change, and the future development of the continuing education program. More than 200 participated in this forum.

A drive to raise funds that represented the difference between available public funding and the amount the College requires to serve the community, was launched under the theme "Margin for Excellence". The campaign sought to generate $50,000 on St. Croix and $100,000 on St. Thomas. St. Croix exceeded its goal with $51,000 and the St. Thomas drive, which started later, reached slightly more than $50,000 by the end of the year. St. Croix funds were used to furnish the Evans Center for Learning and St. Thomas collections were earmarked for strengthening academic offerings, expanding both the programs and sections of existing courses in the continuing education program, and for expanding community services.

Work on the Reichhold Center for the Arts was slowed due to the delay in arrival of structural steel, but the project should be completed in the fall of 1977 if work continues on schedule. Mr. Henry Reichhold, chairman of Reichhold Chemicals, Inc., donated as a personal gift 25,000 shares of the chemical company stock valued at about $475,000, which brought his total contribution to the center over the years to more than $2.5 million.

Regular career counseling through the student affairs office was augmented with seminars sponsored by Opportunities Industrialization Centers and the General Electric Co. on business environment and how students can fit into it and another on knowledge and techniques required for positions and how to seek them. A number of executives from major mainland firms visited classrooms under the auspices of the National Urban League's Black Executive Exchange Program to motivate and encourage black students toward business and professional careers. Two of the participating executives were CVI graduates.

Several well-known scholars visited the College during the spring semester, two of whom were sponsored by the Distinguished Visiting Professor program. The effort enabled the visitor to spend one week conducting a seminar for students and faculty of the academic division which invited him, presentation for students in general and one lecture for the entire College. Areas covered included economics and accounting, race relations, chemical structure of antibiotics, graph theory and the origin of the West Indian Creole language. Plans were initiated to hold a major conference on Creole languages at the College next year.

The Division of Science and Mathematics continued its research of biomedical compounds among flora and fauna. The research team comprised ten students and faculty and involved isolating bacteria, mainly in sponges, and determining if the bacteria demonstrate antibacterial properties. The project has been beneficial as the students are paid, learn research methods, and have opportunities to put theory into practice. One student member of the team who graduated was awarded a four-year fellowship to M.I.T. to enable her to earn a Ph. D. in biochemistry.

A biomedical research unit was established on the St. Thomas campus under the direction of a local internist, which initiated studies on ciguatera fish poisoning. The first phase of the research was directed at finding a simple, inexpensive test for the detection of poisoned fish, to be followed by the exploration of immunological and enzymatic aspects of the problem. The unit is seeking financial support from Federal and private sources.

Volume three of the Journal of the College of the Virgin Islands went to press and is expected to be distributed shortly after the end of the year. It contains four articles by faculty members and one by a former member.

A study of nursing needs and resources conducted by the College resulted in the appointment of a commission to implement the study's thirty-six recommendations to improve nursing care by expanding the scope and role of nurses and providing better utilization of nursing personnel. The study also called for greater opportunities for nurses to qualify for baccalaureate and advanced degrees. The College, however, was forced to postpone its planned baccalaureate program in nursing for lack of local funds to match available Federal money. It should be noted that local funding allocated to the College was almost $400,000 less than it was five years ago, despite inflation and rising enrollments. To help defray operating costs, fees and tuition for all students were raised as were costs for room and board.

The summer session began with 678 students on St. Thomas and 337 on St. Croix. However, budget restrictions resulted in fewer courses and lower enrollment. The Upward Bound summer session had thirty-two students from St. Thomas and twenty-two from St. Croix. Upward Bound is a program of academic enrichment for high school students who meet Federal guidelines. The aim is to help students complete high school and encourage them to go on to college. The program has been in existence since 1966 and has enrolled more than 600 in the past eleven years.

More than 450 Government employees participated in eighteen career development programs offered by the College's Bureau of Public Administration. Officials represented twenty-three departments, agencies and divisions and included commissioners, department heads, supervisors, senators and legislative employees. Most courses were intensive and conducted over two- to five-day periods.

The Caribbean Research Institute, a twelve year old arm of the College, expanded its operations to three research activity centers with the addition of an ecological research function. The newest center produced "Virgin Growth", a three-part television series on air, land and water as a contribution to ecological education in the islands. The unit also prepared an energy conservation plan and restored books and documents that were flood damaged.

The water resources center, funded largely by the Department of the Interior, continued efforts in five water-related areas. The social research unit, staffed mainly by faculty members on a part-time basis, served under contract as consultants to various Government departments in such areas as revenue and financial affairs, economic model construction and education planning.

Various studies were completed and published in the fields of economics, political science and education, including a historical profile of the Virgin Islands (British and United States). A new periodical, Microstate Studies, was published for the Institute by the Center for Latin American Studies and the University of Florida Press and contained articles by professors from the College and the University of Puerto Rico.

The Virgin Islands Cooperative Extension Service, a land grant related function of the College, provided informal educational programs in agriculture and natural resources, home economics, 4-H youth and community resource development.

Among the highlights of the year was participation in the Seventh Annual Agriculture and Food Fair on St. Croix, a cooperative venture with the Department of Agriculture, with exhibits that explained common plant diseases, plant protection, methods for growing healthy crops as well as advice on money management and budget stretching.

Education efforts in agriculture included training sessions on identification of coconut palm diseases and methods of eradication, which were attended by eighty-two plant growers. Community garden plot holders were provided information on fertilizing, planting and use of insecticides, and meetings were held for persons interested in the hydroponic method of growing. Two demonstration areas in St. Croix were used for teaching modern technological production practices for growing a large variety of vegetables and feed grains to determine variety adaptability.

In the home economics program, some 284 homemakers participated in the expanded food and nutrition education program. Similar activities were conducted for senior citizens and nutrition workers with the Department of Social Welfare. Classes in money management and wise use of credit were offered economically depressed families. Classes were also held for groups in clothes recycling and home sewing, consumer rights and responsibilities, child development and family relations and preventive health care

The 4-H program had about 500 members in fourteen clubs and more than forty volunteer leaders. The summer camp program involved 213 boys and girls in project learning experiences. Four members attended the National 4-H Conference in Washington where they were involved for six days in decision making regarding future programs.

A proposal for funding has been submitted to a private foundation to provide the major support for a 4-H community development program called PRIDE, which is based on teaching young people to deal with their community structure and to accomplish worthwhile goals. This project would expand 4-H activities to reach nearly 4,000 young people.

The Virgin Islands Agricultural Experiment Station is another land grant activity. During the year research was conducted on agronomic, horticultural, aquacultural; animal science and forestry projects.

Agronomic experiments indicated that a substantial number of new sorghum hybrids were superior to those presently used. Several green varieties yielded 6,000 pounds of grain per acre, providing more than enough energy to produce a ton of chickens, 1,500 pounds of pork and nearly a ton of grain-on-grass fed beef. Almost 30 million pounds of livestock and livestock products have been imported in recent years. If produced locally, this could boost the economy by $50 to $100 million a year and might lead to export capacity.

Work has been stepped up to solve the St. Croix papaya decline disease, experiments were conducted on ten tomato varieties to determine effect of deficiencies on yield and fruit quality, and a study indicated that grape growing is a feasible commercial enterprise.

In other efforts to increase locally produced foods, studies of the Tilapia, a freshwater, deep-bodied fish, revealed that it can thrive on plankton and algae in a pond, with supplements of inexpensive feeds. Studies conducted in waste water with fresh water clams indicated that these bivalve mollusks may be good candidates for waste water aquaculture.

A breed of beef cattle called Senapol was developed on St. Croix sixty years ago but did not attain commercial importance due to lack of data on their characteristics. Research on the breed was begun in 1976 and subsequent exposure generated much interest with mainland cattlemen, two of whom arranged for the purchase of twenty-two registered head. Collection of research data on the Senapol is nearing completion.

The forestry group published a report that made recommendations for various projects for testing varieties of trees for use along roads and for cabinet wood, determining what trees would be best suited as habitat for game birds and animals, and determining the feasibility of commercial growing of the Norfolk pine, used in some areas as a yule tree.

COMMISSION ON YOUTH

Personnel: 54 **Operating Appropriation: $347,561**

The job development training program, which was created to provide employment for unemployed youths, had forty-two participants during the year who performed various services in Government agencies, including those of clerk typists aides, social service aides and maintenance aides.

In addition to providing jobs, the OJT program has assisted participants to improve skills that were acquired during earlier training as well as to help them develop a working knowledge of Government operations and procedures. The program also provides services to those agencies with limited staffs.

The summer youth employment program received 4,387 applications, with 2,188 applicants having been hired for the eight-week, 35-hour jobs that were made available to youths between the ages of 14 and 21 who were permanent residents. Last year there were 2,900 applicants, 1,342 of whom were hired.

Comprehensive Employment Training Act funds for the summer program totall[illegible] $654,000 and were used for the placement of disadvantaged youths. The local fund of $120,000 was used for the placement of college students, and the Youth Conservation Corps, in conjunction with the Department of

Conservation and Cultural Affairs, placed 200 students. There were no income restrictions associated with this phase of summer employment efforts.

A popular program that was continued and expanded under the inter-neighborhood activities program was a basketball league. Games were played between teams representing various housing groups and on courts that are part of these housing units. The rationale for having the games played on housing courts was to help the participants develop a greater sense of pride, concern and understanding for their communities.

COMMUNITY ACTION AGENCY

Personnel: 313 Operating Appropriation: $534,903

The Community Action Agency conducted various projects under sixteen anti-poverty programs that ranged from assistance to senior citizens to educational experiences for pre-school children.

Of the sixteen programs, five were specifically oriented to senior citizens and provided such services as part time employment in various community service agencies; help for elderly to maintain themselves in their own homes; referrals to available assistance agencies; a volunteer program to place those who would like to be active in community affairs, and opportunities to become foster grandparents to needy children. In addition to the local appropriation, these programs were supported by $2.7 million of Federal funds and $120,000 from other sources.

Under these programs, ninety-one persons were placed in part time employment and 100 elderly received personal care in their homes. More than 1,000 persons were interviewed and provided information on services available to those who qualified, and 150 participants in the Retired Senior Volunteer Program gave their time to thirty-four Government and private community projects. There were forty-seven foster grandparents who devoted considerable time to bringing love to emotionally and mentally disturbed as well as handicapped children.

The "hotline" effort which started in 1972 to provide a confidential emergency telephone service for youth and to assist them with such problems as drug abuse, education, employment and family matters, grew by necessity to perform similar services for the entire community. During its years of operation, "hotline" handled and processed 4,860 calls. Forty volunteers were recruited during the year and twenty were trained in telephone use and tutorial subjects.

The Health Outreach Program is operated by the Department of Health for the Agency and provided medical, nursing, health education and counselling services to residents of outlying and low socio-economic areas. An estimated 5,440 residents availed themselves of the services of the program and another 3,115 were referred to public health specialty clinics. The Community Food and Nutrition Education Program was also operated by the Department of Health.

The Family Education Program was operated under contract by the Christian Community Conscious Center, which provided assistance to families in various housing projects that developed environment problems and conducted educational programsrelated to the use of energy. An arts and crafts summer program was conducted for 100 children between ages seven and fifteen at several housing projects. Each participant successfully completed one project.

The many aliens in the Virgin Islands are highly dependent upon the variety of projects conducted by the Alien Emphasis Program. One of the major concerns and efforts is the adjustment of status of permanent resident aliens. There was a significant change in the number of non-resident workers who were eligible for recertification. Increasing unemployment and job scarcity forced many certified workers out of the work force, which required them to leave the Territory or file for suspension of deportation with the U. S. Immigration Service. The transfer of the Bureau of Alien Affairs to the Alien Emphasis Program increased the work load as the number of visa requirements for dependents rose from 200 to 600.

The Spanish Multi-Service Center continued to train Spanish speaking personnel to operate the Center that provided bilingual and bicultural services for the large low-income Puerto Rican community of St. Croix. An estimated 5,000 persons took advantage of the Center's cultural, social and recreational projects.

The Virgin Islands Youth Development program added a new project called Volunteers in Court, which had a goal of placing twenty-four probationers or juvenile offenders under the immediate guidance and supervision of twenty-four volunteers who would maintain a "big brother" relationship for at least two hours a week. Other efforts included physical fitness classes and sports activities, counselling, arts and crafts, photography classes and vegetable growing.

Project Head Start conducted thirty-seven classes in twenty-eight centers for 850 children of pre-school age. The program provided a variety of experiences for the children that related to improved health, the world about them, family relationships, emotional and social development and other experiences to help prepare children for the immediate years ahead.

OFFICE OF HIGHWAY SAFETY

Personnel: 10 Operating Appropriation: $1,512,667

A major development of the Office of Highway Safety was the planning, evaluation and reporting system to facilitate inter-agency participation in the process of devising, implementing and periodically updating highway safety services of the Office.

The seven-part program management process, developed with a research consultant, focused attention on providing adequate and timely highway safety services, which included: assessment of current situations, highway safety characteristics, projection and project control procedures; planning, evaluation and reporting procedures; data base requirements and use of automated data processing.

A task force of representatives of the health profession and community groups was organized under the emergency medical services program and met quarterly to consider issues and problems related to extrication duties, need for cardiac defibrillators, communications planning, upgrading of non-ambulance duty and desirability of implementing a "911" access communication system.

Preliminary investigations began on a possible paramedic program and subjugation of civil defense emergency medical services to the respective hospital administrators.

The emergency medical technician program trained 140 persons, with 120 successfully completing the National Registry requirements for registered medical technician designation. During the year five standard ambulances and one forty-two foot boat ambulance were put into operation, all manned by locally trained registered technicians. Other new equipment included defibrillators, oxygen flow meters, demand valves, scoop stretchers and stair chairs for ambulances.

The communications project purchased emergency radio transmitters and receivers for all ambulances and opened St. John to the health communications network which has ties to civil defense and a channel reserved for emergency dispatch.

A reporting and coordinating unit of the Department of Public Safety was established to be responsible for coordination, administration and monitoring highway safety projects and planning. This operation was necessary for the gathering of statistical data from the selective traffic enforcement program.

A full-time police traffic services unit was also established, augmented by the hiring and training of twenty-eight recruits. Back-up material of emergency and extrication equipment, traffic control and communication devices and fully equipped police vehicles were funded under this project.

The driver education teaching staff was increased to nine, and the six hour behind-the-wheel instruction period for certification was increased to eight. The 528 high school students who completed the driver education program during the year represented a 122 per cent increase over the previous year.

The school crossing guard program was continued with a major change that improved efficiency. Scheduled work hours that did not coincide with school hours were eliminated and replaced with a four hour shift that also permitted more guards.

The project involving the comparison of the local motor vehicle code with the Uniform Vehicle Code in an effort to modernize traffic laws and bring them into closer conformity with the uniform regulations, was completed. A comprehensive draft of a revised Virgin Islands Motor Vehicle Code was in preparation.

The Territorial Court involvement in various highway safety projects included the upgrading and extending of the driver improvement school and reassessment and evaluation of traffic court adjudication procedures. Defensive driving manuals, workbooks and materials for the schools were purchased. The driver improvement school on St. Thomas has been extended and an additional instructor was hired to conduct lectures and demonstrations for habitual traffic violators, all of whom are assigned to this instruction.

A grant application for route signs and kilometer markers was submitted and approved in the amount of $155, 502 as was a proposal for traffic engineering services to cost $442, 550. The engineering services project covers application of sound principles to traffic conditions and provides for additional personnel and equipment in highway planning.

A traffic and pedestrian education system for pre-literate children between the ages of four and six was implemented through the Head Start centers which serve about 1, 000 children. The program is based upon the skills and knowledge that this age group normally possess and seeks to instill basic knowledge regarding safe and unsafe traffic and pedestrian behavior.

LAW ENFORCEMENT PLANNING COMMISSION

Personnel: 12 Operating Appropriation: $240,000

As the result of studies by the courts task force, one of several task groups established by the Law Enforcement Planning Commission to recommend actions for the prevention and control of crime and delinquency, the need to revise both the juvenile and criminal codes of the Virgin Islands was identified as the number one priority of the courts task force. A juvenile code revision project began during January and the first draft is scheduled for completion about three months after the end of the fiscal year.

Other task forces completed working drafts of goals and standards for police, and final documents for community crime prevention and corrections were approved by the Commission's Supervisory Board and the Governor.

The Commission also developed several position papers on the need for a unified and centralized juvenile justice authority. To aid in the creation of such an agency the Governor appointed an interim advisory committee and a small staff was hired through a grant from the Commission.

A comprehensive plan of projects for 1977, developed in 1976, was approved by the Board and the Federal Law Enforcement Assistance

Administration, which approved an overall grant of $409,000 to support the recommended projects.

The largest single allocation of the grant was made to the Police Division of the Department of Public Safety for aerial surveillance, improved information services and a special legal unit.

The Department of Law was designated to receive $100,000 for the design and implementation of the unified juvenile authority, and the Department of Social Welfare was granted $78,000 to continue the juvenile intake and probation units.

The Corrections Division of the Department of Public Safety was allocated $82,000, divided equally between a basic education program and approved social work services with inmates and their families. The Territorial Court was granted $24,000 to continue a court employment program as a diversionary project for those involved in misdemeanors.

In addition to the Federal funds for planned projects, the Commission prepared an application to the Economic Development Administration to rebuild a boys facility on St. Croix for a juvenile correctional rehabilitation center. The application was approved for $394,000 without the requirement for matching funds.

NATIONAL GUARD

The composition of the Virgin Islands National Guard, which was military police heavy when it was formed in 1973, was changed in the fall of the year to a combat support mode featuring priority units with war-time missions. This change enabled the Guard to play a larger role in developing young Virgin Islanders for the local job market. Formerly, they had the choice of going only to military police school. Today the choice includes more than sixty military occupation specialty advanced individual training courses based on enlistment test scores.

The civilian education level of the officers is the highest in the country, with only one officer not having a baccalaureate degree. Half of the officers have masters degrees. However, while many of the enlisted troops do not have a high school diploma at the time of enlistment, the rate of completion of work for a general equivalency diploma after enlistment has been extremely high.

Since the fall, the Guard has led the country in percentage-of-strength increases each month. On August 1, 1976, the strength was 215 and at the end of the year it was 584. The authorized strength has gone from 244 to 570. Retention has also been excellent; when an enlistment is up almost without exception the member re-enlists for at least one year and many time for three. Also, the complement includes the highest percentage of females of any state National Guard.

Since publishing a new manual during the year, the Guard has completely changed its mode of training. Except for February when a maintenance program was conducted, every monthly weekend training period was spent in a field environment. These training sites included Camp Santiago in Puerto Rico and local Virgin Islands training areas. This type of hands-on-training and the rapid growth of the program have combined to provide more excitement and effectiveness.

Most of the new equipment that became available with the change in mission to a combat support mode, has arrived and was equally distributed between the units in St. Thomas and St. Croix. The equipment inventory totalled ninety-three pieces, including trucks, trailers, ambulances, generators, laundry units and a bus, among others, and was valued at $2.15 million.

OFFICE OF PROBATION AND PAROLE

Personnel: 10 Operating Appropriation: $166,600

The Office of Probation and Parole wrote 230 pre-sentence reports during the year, eighty-five of which were written for the Territorial Court and 145 for the District Court. The preparation of these reports involved interviews with 920 persons, or an average of four per report.

The Office also prepared fifty-five reports for the Interstate Compact Administration on individuals who had requested transfers to the Virgin Islands because they had once lived in the islands or had relatives here. States involved were New York, Florida, Georgia, North Carolina, Connecticut, Virginia, Mississippi, Illinois, New Jersey and the Commonwealth of Puerto Rico.

A total of twenty-two reports were sent to areas outside of the United States requesting information on persons before local courts, and eighteen requests were sent to various states for the same reasons. The Office also prepared eight investigation summaries for the Department of Social Welfare in response to requests for information on families of persons who sought financial assistance for dependent children.

Under supervision of the Office were 155 persons who were granted bail under the Bail Reform Act. Of this number ninety-five were in St. Croix and fifty-five in St. Thomas.

During November forty-three pre-release reports and applications were prepared and processed for the December meeting of the Parole Board. There were two parole revocations prepared by the Probation Office that were heard by the Board.

During the year 1,425 persons visited the Probation Office. Of that number 1,350 were probationers and parolees and seventy-five were either relatives, friends or employers who visited the Office upon request or on their own to file a complaint, provide information or in some way to assist the probation officer in the handling of a particular case.

There were 265 active cases in the Virgin Islands at the beginning of the year. During the year ninety-seven new cases were received from the courts and twenty-eight were supervised under the Interstate Compact Agreement. The number of cases closed during the year totalled 242 and 148 remained active.

PUBLIC TELEVISION SYSTEM

Personnel: 24 **Operating Appropriation: $337,973**

Channel 12, the Virgin Islands Public Television System, completed final design plans for a translator system on St. Croix to improve reception there and initiated final site surveys for a satellite ground station and the translator system.

The translator system includes two stations on St. Croix to receive the transmissions from Channel 12 on St Thomas and re-transmit programs to three major areas of the island. It is expected that all facilities will be installed early in fiscal year 1978, with broadcasting beginning at about the same time. Plans are also being developed to install a translator on St. John to permit reception in the Coral Bay area and the east end of the island.

The ground station for the satellite project of the Corporation for Public Broadcasting will cost an estimated $325,000, about three times that of a typical ground station on the mainland. The $25,000 required to join the project as a member in good standing was obtained from non-local funding sources. Federal grants by the Corporation totalled $168,193 for the year.

The advantages of the satellite method of distributing TV programs are several, and include a greater volume of programming by being able to receive up to four programs simultaneously; a wider variety of programs, including special events; reduced costs by eliminating telephone lines, microwave facilities and off-island videotape service, and improved technical quality.

Programming was more diversified during the year and was highlighted by the Channel 12 world premiere of the seven episode Danish production/ "Massa Peter", the story of a young boy living in the Virgin Islands in 1848 when Peter von Scholten, who freed the slaves, was Governor of the Virgin Islands.

Another well-received program was "Virgin Growth", which was produced by the Caribbean Research Institute of the College of the Virgin Islands. The three-part series covered the natural resources of air, land and water and related their importance to life. The popular on-going "Midweek" program -- a press conference on the air format which features people in the news or important visitors to the island -- was aired forty-seven times. Many other programs dealt with political and economic issues related to the Virgin Islands. Also, firm plans to initiate a minimum of one to two hours per week of in-school/instructional programming were approved by the Department of Education.

The final phase of the on-the-job engineering training program, developed around twenty-four half-hour videotape units on digital technology with accompanying text and work books, was initiated. The production and crew training program was improved and conducted on a weekly basis. Volunteer trainees attended two hour evening sessions in video, studio lighting, camera operation and related subjects. About twenty-five participated in the program and included high school graduates, college students, housewives and retired engineers.

OFFICE OF THE SUPERVISOR OF ELECTIONS

Personnel: 13 **Operating Appropriation: $402, 593**

Primary and general elections were held during the year, and there was a recount of the primary votes of the Democratic Party in the St. Thomas/ St. John District and a recount of the general election votes in St. Croix.

For several years there has been consideration given to the need for voting machines and several models have been demonstrated before Government officials and the public. While funds for these devices were appropriated by the Legislature and approved by the Governor several years ago, amendment of the election laws is necessary before purchases can be made. The present hand-tally system is archaic, and the problems it causes will only become worse as more residents become eligible to vote.

The format of the ballots must be improved if voting machines are not in use for the 1978 elections because of the problems in printing vast quantities that are getting bigger each election year as more persons run for public office.

While some changes have been made in the Election Code, further amendments are necessary in order to register new voters on a daily basis. The inability to do this has caused problems for both the Office and prospective voters.

For the general election of 1976, there were 25,055 persons eligible to vote, an increase of 140 over the 1974 total. While not in itself a large increase, the figure is significant when compared to the number of voters who remained on the rolls after some 2,000 were dropped during 1975 for not voting in two consecutive general elections.

Special inspectors of registration were hired during the year to check the registers of voters as required by the election laws. However, the appropriation granted for this purpose was insufficient to complete the work, but it is expected that the effort can continue into the following year.

There has been no change in the number or structure of the political parties of the Territory: The Democratic Party has 14,727 voters; the Independent Citizens Movement has 4,099 and the Progressive Republican Party has 2,195.

For the general election of 1976 there were 25,055 eligible voters. Of this number, 18,313 or 73.1 per cent cast ballots.

TERRITORIAL COURT

Personnel: 86 **Operating Appropriation:** $1,363,130

The Municipal Court became the Territorial Court on January 1, 1977 by an act of the Legislature which also expanded the scope of the Court.

The two districts of the Territorial Court of the Virgin Islands disposed of 16,720 cases during the fiscal year, a decrease of 0.17 per cent.

The number of cases disposed of in the St. Thomas/St. John district amounted to 7,358, a decrease of two per cent, as follows:

Criminal Division, excluding Traffic and Preliminary Hearings	309
Preliminary Hearings	4
Traffic Cases	5,217
Civil Division	618
Small Claims Division	602
Juvenile and Domestic Relations Division	
(a) Juvenile	110
(b) Domestic Relations Matters	78
(c) Divorce, Annulment, Separation and Contempt Hearings	209
(d) Conciliation Division	211

Court fines, fees and costs, forfeitures and other charges collected during fiscal year 1977 amounted to $101,862.50, an increase of approximately 0.19 per cent.

Cash bonds, executions and judgments deposited with the Court amounted to $170,235.90, a decrease of approximately eighteen per cent.

Collections for disbursement in domestic and reciprocal support cases amounted to $387,845.84, an increase of approximately twenty-two per cent over fiscal year 1976.

There were 507 applications for marriage licenses, but only 470 marriages were reported.

The number of cases disposed of in the St. Croix district amounted to 9,362, a decrease of 1.5 per cent, as follows:

Criminal Division, excluding Traffic and Preliminary Hearings	511
Preliminary Hearings	25
Traffic Cases	4,521
Civil Division	2,466
Small Claims Division	1,068
Juvenile and Domestic Relations Division	
(a) Juvenile	84
(b) Domestic Relations Matters	413
(c) Divorce, Annulment, Separation and Contempt Hearings	126
(d) Conciliation Division	148

Court fines, fees and costs, forfeitures and other charges collected during fiscal year 1977 amounted to $87,944, a decrease of approximately 17.9 per cent.

Cash bonds, executions and judgments deposited with the Court amounted to $326,676.62, a decrease of approximately eight per cent.

Collections for disbursement in domestic and reciprocal support cases amounted to $185,207.39, a decrease of three per cent.

There were 487 applications for marriage licenses, but only 433 marriages were reported.

VIRGIN ISLANDS PLANNING OFFICE

Personnel: 18 Operating Appropriation: $320,345

Among the many efforts of the Planning Office in its work in the areas of development programming and long-range comprehensive planning was the completion of a Coastal Zone Management Plan and Act for submission to the Virgin Islands Legislature.

The plan, which was developed with funds from the National Oceanic and Atmospheric Administration, established coastal zone boundaries, goals and policies for development within the zone and identified areas of particular concern and access to the shoreline. The proposed legislation also suggested provisions for implementation and regulation.

Under the responsibilities of administering Housing and Urban Development's Community Development Block Grant, the Office completed fourteen projects totalling $583,838 and construction began on an additional twelve.

In a joint effort with the Department of Natural Resources of Puerto Rico, the Office prepared the Caribbean Region's section of the 1975 National Assessment of Water for the U.S. Water Resources Council. The assessment consisted of identification of water issues and problem areas, a statement of present policies, socio-economic characteristics resources and development future. It also included specific problem analysis and discussed institutional needs and planning strategies for water resources problems.

The Office, in response to the National Historic Preservation Act, is now actively participating in this program under a Federal funding level of $220,874. In this second year, ninety sites were added to the inventory, of which twenty-three were nominated to the National Register of Historic Places. Two major acquisitions were made in the Hassel Island district; the Garrison was acquired for $125,000 while Fort Willoughby was donated. In addition to survey, inventory and nominations, twelve Section 106 consultations were conducted.

The Virgin Islands Planning Board, in dealing with the Territorial Preservation Act, reviewed fifty-five applications for work in the historic district of Charlotte Amalie, St. Thomas, and Christiansted, St. Croix. Of these, thirty-eight were approved and the remainder were either denied or withdrawn.

Activities relating to zoning laws and subdivisions were relatively light; fourteen applications for zoning changes were reviewed, twenty-two subdivisions received preliminary approval while twenty were granted final approval.

The Office utilized a combination of Federal funds from HUD's Comprehensive Planning Assistance 701 program and territorial funds to accomplish several programs. Among them were a land use element of the Comprehensive Plan, a housing condition survey and the housing element of the Comprehensive Plan. Two public conferences on housing were conducted and an Inter-Agency Planning Committee was organized.

VIRGIN ISLANDS PORT AUTHORITY

Personnel: 172

The Aviation Division of the Virgin Islands Port Authority recorded the arrival of 565,568 air passengers during the year, up 37,370 from the previous year, and the Marine Division counted 502,999 cruise ship passenger arrivals, up 31,889 from 1976 and an all-time record. There were 55,545 aircraft landings, an increase from 52,065, and the number of cruise ship calls increased from 740 to 761.

In-bound air cargo totalled 25.2 million pounds, an increase of nearly nine million pounds, while in-bound ship cargo amounted to 186,087 tons, a drop of nearly fifty percent from the 1976 figure of 363,211 tons.

Several improvements were made to the Alexander Hamilton Airport on St. Croix and a five-year, six-point plan for other developments were approved by the Governing Board, and the long-planned project to expand and renovate the Harry S Truman Airport on St. Thomas moved ahead in several areas.

The final environmental impact statement was transmitted to the Department of Transportation and signed in September. The pre-application for Federal funding was submitted to the Federal Aviation Administration and subsequent applications were made to the Virgin Islands Department of Conservation and Cultural Affairs for a submerged land permit and the Secretary of the Army for a Rivers and Harbors Act permit. Both are prerequisites for the dredging and filling for the runway extension.

A contract for the design and engineering phase was signed with a major west coast firm, which subsequently subcontracted various aspects of the project to local and mainland specialists.

At the close of the year, all but a few of the off-shore borings were completed and the final report on the geo-technical investigations was underway. The oceanographic work had progressed to the point where forecasts of wave overtopping and crest elevations could be forecast, and revetment sections for the off-shore portion of the runway were designed and a test model was constructed.

Concurrent with the initial work, the Authority established an Airport Project Office which prepared and submitted to the FAA the required plan for land acquisition and relocation. On approval of the proposal and acceptance of the grant application, the FAA made a grant offer of $1.34 million. The Governing Board accepted the grant and the agreement authorized the release of the Federal Government's ninety per cent contribution to the $52 million Truman project.

In the marine area, the Authority developed a plan for a marine facility on St. Thomas which would utilize $1 million in grant monies that had been earmarked since 1971 for the development. A pre-application was submitted to the Economic Development Administration for the funding of four projects on a 50-50 matching basis. The application was accepted and the Legislature passed a bill for the reapportionment of the monies that had been reserved.

New marine and aviation tariff rates were developed and made effective in October. An increment, long disputed by the airlines, was settled at forty-seven cents per 1,000 pounds, maximum gross landing weight, retroactive to July 1975 and effective to the end of the 1978 fiscal year.

In January the Authority filed suit against the Virgin Islands Government to resume property management, collection of monies (about $163,000 annually) and an accounting of the funds for the FAA that specifically designated use of the income from the non-aviation properties for aviation purposes only. These properties included housing and land adjacent to the St. Thomas and St. Croix airports and were removed from Port Authority management by legislation.

The financial position of the Authority was slightly improved over that of the previous year. Liquidity and cash flow was not the problem it was during earlier years. The Authority did incur an operating loss of $665,962 and an overall loss for the year of $732,158. The operating loss was $564,532 less than last year and the overall loss was $464,532 less.

VIRGIN ISLANDS WATER AND POWER AUTHORITY

Personnel:

Generating units of the Virgin Islands Water and Power Authority produced 413 million kilowatt hours during the year, a four per cent increase over the previous year. There were 33,023 customers at the end of the year, an increase of 660 from the same time a year earlier.

The Authority earned $23.9 million from the electric system and $5.6 million from water production for total gross earnings of $29.5. Expenses for the electric system were $19.6 million and $5.3 million for the water system. The net results were losses of $381,697 for electric and $200,401 for water. Expenditures included $4.8 million for electric system bond indebtedness and $400,000 for water system bonds.

The balance of revenues available for debt service after current expenses amounted to $7.7 million, which is 1.35 times the maximum debt service requirement of $5.7 million. The bond resolution requires that this coverage shall not be less than 1.50.

Of the 660 new customers, 482 were residential and 173 commercial. There were five new industrial customers. The average annual residential consumption was 4,686 kilowatt hours. Commercial customers consumed 13,253 and industry used 203,403.

Production of desalted water totalled 1,340 million gallons, a 1.9 per cent decrease from 1976. All water produced is sold to the Department of Public Works and distributed by that agency to consumers.

Underground duct banks have been completed and the power substation transformer was placed on site for the 34.5 KV sub-transmission station that will relieve the precariously loaded 13 KV feeders that supply Charlotte Amalie, the east end of St. Thomas and all of St. John. This new system should be operational by the end of next year.

Capacity of the electric system was increased by 11,941 KVA with the installation of 353 new transformers. Also, eight miles of primary and four miles of secondary distribution lines were installed. These additions brought the total primary distribution lines to 288 miles and the total secondary system to 264 miles. At the close of the year the distribution system had a total capacity of 191,941 KVA.

Approval by the Environmental Protection Agency to burn 1.5 per cent sulphur fuel is expected during the first part of the next year, which should save rate payers about $500,000 a year.

Fuel costs were sixty-seven per cent of electric production costs, compared to seventy-six per cent for the previous year.

VIRGIN ISLANDS WATER AND POWER AUTHORITY
Statistical Information
Fiscal Years Ended June 30, 1976-1977

ST. THOMAS

SUBJECT TO AUDIT

	FY 1976	FY 1977
Gross MKWH Generated	214,807	224,862
Power Plant Use	-38,280	-37,282
Net MKWH Generated	176,527	187,580
Meter MKWH Sales	165,648	167,294
Street Lights	+ 3,197	+ 3,124
Total MKWH Sales	168,845	170,418
MKWH Line Loss	+ 7,682	+17,162
TOTAL METERED & LINE LOSS	176,527	187,580
Average Gross Income Per KWH Sold	6.79¢	7.42¢
Average Total Cost Per KWH Sold	5.70¢	7.65¢
Fuel Consumption (Gallons):		
Diesel	836,262	3,391,794
Bunker C	23,171,064	21,562,380
Cost of Fuel:		
Diesel	199,546	983,273
Bunker C	6,375,367	5,885,585
Average Cost Per Gallon:		
Diesel	23.86¢	28.99¢
Bunker C	27.51¢	27.30¢
Maximum Demand	33,220	35,900
Customers Served:	MKWH Used	MKWH Used
Residential	69,527	69,961
Commercial	28,600	29,005
Industrial	67,521	68,328
Street Lighting	3,197	3,124
Total MKWH Used	168,845	170,418
Cost of Water Production 1,000 gallons	$3.77	$4.73
Number of Employees	168	177

VIRGIN ISLANDS WATER AND POWER AUTHORITY
Statistical Information
Fiscal Years Ended June 30, 1976-1977

ST. CROIX SUBJECT TO AUDIT

	FY 1976	FY 1977
Gross MKWH Generated	182,622	188,564
Power Plant Use	-19,002	-17,279
Net MKWH Generated	163,620	171,285
Meter MKWH Sales	143,107	146,627
Street Lights	+ 4,137	+ 3,695
Total MKWH Sales	147,244	150,322
MKWH Line Loss	16,376	20,963
TOTAL METERED & LINE LOSS	163,620	171,285
Average Gross Income Per KWH Sold	7.21¢	7.52¢
Average Total Cost Per KWH Sold	7.25¢	8.01¢
Fuel Consumption (Gallons):		
Diesel	3,722,838	2,494,338
Bunker C	17,462,046	19,251,330
Cost of Fuel		
Diesel	$1,076,350	$ 714,117
Bunker C	5,234,163	5,700,956
Average Cost Per Gallon		
Diesel	28.91¢	28.63¢
Bunker C	29.97¢	29.61¢
Maximum Demand	32,000	32,000
Customers Served	MKWH Used	MKWH Used
Residential	63,503	63,774
Commercial	20,974	22,020
Industrial	58,630	60,833
Street Lighting	4,137	3,695
Total MKWH Used	147,244	150,322
Cost of Water Production 1,000 gallons	$3.06	$4.29
Number of Employees	174	146

was put into effect by the end of last year to improve programs to reduce highway injuries and fatalities, was continued with added emphasis.

The School Crossing Guard Program, which is part of the Traffic Section, was refined into a cost effective operation that provided protection only during times when children were on their way to or from school. The reduction of actual working hours provided greater coverage at the many crossings.

A Task Force was created by the Motor Vehicle Inspection Unit to study and make recommendations for legislation on problems relating to vehicle safety. Among the recommendations were year-round inspection of vehicles, semi-annual inspection of buses and emergency vehicles, mandatory visual tests for the initial and renewal of driver's licenses, and a requirement to take a written examination for renewal.

The Juvenile Section handled 1,168 complaints involving 1,675 juveniles and filed 253 court cases. Counselling was provided to 1,185 who were later released, 219 were referred to the Department of Social Welfare and eighteen were placed in custody. As noted earlier, the number of juvenile crimes and those involved, both declined in numbers from 1976.

The decline in anti-social behavior of juveniles can be attributed directly to increased foot and motor patrols in high-incidence areas, and indirectly to the many community programs that were conducted by Section investigation by the investigation officer of the prosecuting attorney.

Members of the Investigation Section attended five seminars or training courses that totalled 188 hours of class work. During the year the Section handled 4,970 cases and made 298 arrests.

The Traffic Section registered 31,974 vehicles, an increase from 31,447 registrations during the previous year. Inspection fees totalled $1,247,475 compared to $1,141,206. The Section also issued 8,156 permanent and 35,495 temporary driver's licenses. The high proportion of temporary permits, as in past years, were issued to visitors who used rental cars.

During the reporting period there were 4,185 auto accidents that resulted in 991 injuries and fifteen fatalities. These figures compared respectively to 3,776,786 and nineteen for 1976. Traffic tickets totalled 6,177 compared to 8,525 for 1976.

A Highway Safety Reporting and Coordination Unit was initiated with responsibility for all highway safety functions of the Department. The work of this Unit was responsible for the Department receiving $490,000 in Federal funds for continuation and expansion of this effort. A follow-up was the development of a traffic records system to assist the Department personnel with their evaluation and management of traffic safety programs. The Selective Traffic Enforcement Program, which

LAW ENFORCEMENT PLANNING COMMISSION

Personnel: 12 Operating Appropriation: $240,000

As the result of studies by the courts task force, one of several task groups established by the Law Enforcement Planning Commission to recommend actions for the prevention and control of crime and delinquency, the need to revise both the juvenile and criminal codes of the Virgin Islands was identified as the number one priority of the courts task force. A juvenile code revision project began during January and the first draft is scheduled for completion about three months after the end of the fiscal year.

Other task forces completed working drafts of goals and standards for police, and final documents for community crime prevention and corrections were approved by the Commission's Supervisory Board and the Governor.

The Commission also developed several position papers on the need for a unified and centralized juvenile justice authority. To aid in the creation of such an agency the Governor appointed an interim advisory committee and a small staff was hired through a grant from the Commission.

A comprehensive plan of projects for 1977, developed in 1976, was approved by the Board and the Federal Law Enforcement Assistance and approved in the amount of $155, 502 as was a proposal for traffic engineering services to cost $442, 550. The engineering services project covers application of sound principles to traffic conditions and provides for additional personnel and equipment in highway planning.

A traffic and pedestrian education system for pre-literate children between the ages of four and six was implemented through the Head Start centers which serve about 1, 000 children. The program is based upon the skills and knowledge that this age group normally possess and seeks to instill basic knowledge regarding safe and unsafe traffic and pedestrian behavior.